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MESSAGE FROM THE **CHAIRMAN'S** DESK

Accelerating Enterprises **Digital Transformation** Journey



Letter to Shareholders

It gives me immense pleasure to share with you an update on the performance of your Company for the year 2018-19. It was a challenging year as the geopolitical events threatened to drag down major economies and disrupt global trade and commerce. While economic conditions remained volatile, the GDP growth rate fell to a five year low which meant that the business environment remained unstable.

Against this backdrop, your Company was successful in delivering stable results. While we were not able to shape the external environment, we believed in our focused strategy and took a number of constructive steps to grow strongly in a sustainable manner and deliver industry-level growth in FY20. During 2018-19, your Company was successful in closing a number of enterprise-level deals and became increasingly client-centric to convert many of our projects into multi-year contracts. We also steadily invested in people, built a strong leadership team, and stayed at

the forefront of technologies to deliver business value for our clients. All these progressive steps helped make your Company's business resilient and well-positioned to weather any storms and increase our footprints in the enterprise market.

Financial Performance

We have been transforming into a truly next-generation IT solutions and services provider. In the year 2018-19, our revenue was 8191.51 Million and the net profit was 769.42 Million

Our focus on emerging technologies helped us grow stronger and increase market share in the digital business. The digital revenues registered a growth of 9% annually and industry analysts and experts started recognizing our capabilities. In FY2019, your Company was recognized for the fourth time as one of the fastest-growing technology companies in the Deloitte Technology Fast50 program. In my opinion, this industry valuation is the outcome of our technological capabilities and deep domain knowledge which



has helped us become the preferred and trusted partner of choice to all forward-thinking enterprises in their growth and transformation journeys.

As a **“Born Digital”** company, we have been growing stronger in the digital space and making significant investments in skill development, training programs, and new, high-growth areas that have helped us drive differentiation and competitiveness. Your Company has become immensely entrepreneurial, agile, adaptive, and innovative over the years, and these attributes have helped us build a healthy pipeline and improve ratios in various verticals and geographies.

Progress During 2018

For the past several years, Digital Transformation has been a dominant theme of change. Enterprises are investing heavily to drive digital reinventions and improving efficiency to effectively compete against industry incumbents. By virtue of unmatched digital expertise and unique skill-sets, your Company capitalized on every force of disruption and adopted new capabilities at scale in an effort to thrive in a Business 4.0 world.

During the fiscal year 2018-2019, we further strengthened the foundation for our road ahead by making strategic investments in building two innovative platforms that helped us build a strong presence in the markets.

- We launched our unique framework—Kellton-

4Media—which is focused on generating new, transformative value for the media industry. This framework helps in building an ecosystem where businesses can holistically manage the complete media supply chains through a unified, fully-integrated platform.

- We also launched a full-suite human capital management solution—tHRive—which aims to help the HR department outgrow boundaries and work to meet challenges in the business environment. tHRive serves as an anchor point for the HR and administrative teams to effectively manage decentralized systems, onboard top talent into the business, and ensure optimum performance across all fronts.

Our business is focused on not resting on the laurels achieved, but improving relentlessly and expanding the full spectrum of services. The strategic and continued investment in innovative technologies, including IoT, AI-ML, AR/VR, SaaS, PaaS, Big Data Analytics, and Robotics among more have helped us drive our competitive position and powerfully steer the future of digital. In addition, we are driving strong differentiation for our clients through our long-standing partnerships with SAP, Software AG, IBM, and MuleSoft. We are collaborating in new ways, developing promising proof of concepts (POCs), and delivering leading-edge solutions. We are also making significant headways in innovating with AI and Digital Twin technologies and leveraging our position as a leading contributor to the fourth Industrial Revolution.



Driving Differentiation by Being Agile

At Kellton Tech, business agility is an important cornerstone of everything we do. Our methodologies are lean and focused on enabling solid foundations for agile transformation, thereby empowering our clients to shift mindset, act faster, and grow at pace with the changing world.

Your Company facilitates its clients' journey of Agile Transformation by adopting an approach that's cohesive, holistic, and business-sensitive. Our experts develop a thorough idea regarding the client's business model, find out the most provocative opportunities along the way, and create an actionable plan that intends to solve the challenges while maximizing impact. By leveraging an iterative planning cycle, your Company ensures that clients are relentlessly pursuing the change and responding to market needs with greater passion.

Research and Innovation

Fostering research and innovation has been crucial to the continuing success of your Company. We are proactively engaged in creating innovative business strategies and integrating them in our business units.

With every passing year, we are increasing our investments in next-generation technologies with a view to building more holistic digital experiences. We are leveraging insights to deliver busi-

ness value. Your Company understands that the digital of today may not scale exponentially in the future, which is why we are building leading-edge capabilities across the globe with the help of our Center of Excellence and experimenting by building prototypes and see how new experiences are playing out.

In FY19, we began moving aggressively and strategically to evolve our technological capabilities and stay relevant to our clients in the new digital world. Our research and innovation team has taken up promising themes and collaborated with domain experts to develop a number of innovative POCs for our various esteemed clients at our innovation centers, strengthening their business for the future.

- We made progress in 2018 by positioning ourselves effectively in the IoT space. We helped the world's largest access and security solutions provider combine IoT, edge analytics, and cloud to streamline device management and enable real-time access control.

- We rolled out Permissioned Blockchains by capitalizing on the ultra-modern Distributed Ledger Technology in a bid to enable highly secure and seamless cross-functional collaborations across organizations. It was a product of vision and the fruition of good planning. We replicated the success of Permissioned Blockchains in the healthcare sector, and the results were pleasantly smooth.



- We forayed into the world of Augmented Reality to build an application that provided users with information on cars by visualizing the exteriors and interiors of the vehicles through simulated experiences.
- We developed sophisticated Propensity Models using advanced Machine Learning algorithms to suit the evolving demands of e-commerce, telecom, and agriculture sectors and drive actionable customer insights.
- We ideated and created an application—Computer Vision—powered by Conversational AI, which was aimed at facilitating employee engagement programs across organizations and encouraging a close-knit culture that enhances productivity.
- We developed a high-performance simulation game for Nintendo’s bestselling video game console, Nintendo Switch. As an innovation-led company, creating a dynamic gaming experience has been a remarkable learning experience and reflected our specialization in the gaming niche.

People

Your Company’s organizational value is underpinned by talent and innovation. In FY 2018-2019, we attracted talent from top management and engineering institutes. Besides this, your Company also made significant investments in training existing employees to boost and enhance their specialized skill sets and stay relevant

in the era of rapid change. Every single opportunity was leveraged to improve employees’ competencies across verticals. Your Company also undertook innumerable development programs which helped employees’ acquire new, relevant skills that are required to grow and succeed in the digitally driven world.

Other than investing in the hiring of highly-experienced employees, we also created opportunities for the budding talents in the industry. We introduced various on-job training sessions for undergraduate and post-graduate students from science, engineering, and management colleges. The training sessions were comprehensive; wherein the experts and mentors at your Company helped the young talent learn pragmatic approaches of work as well as improve their technical abilities.

Outlook for 2019

In FY2020, your Company will continue to learn from past experiences and make progress in our efforts to address issues, invest in innovative ideas, and strategize and plan well to lead the company through the next phase of growth. We strongly believe that in order to continue lean growth, we must keep pace with what is happening in the world and continue investing in building capabilities using emerging technologies and people to deliver innovative solutions to our clients. The company will also invest heavily in strengthening sales and delivery teams across different geographies to deliver targeted growth



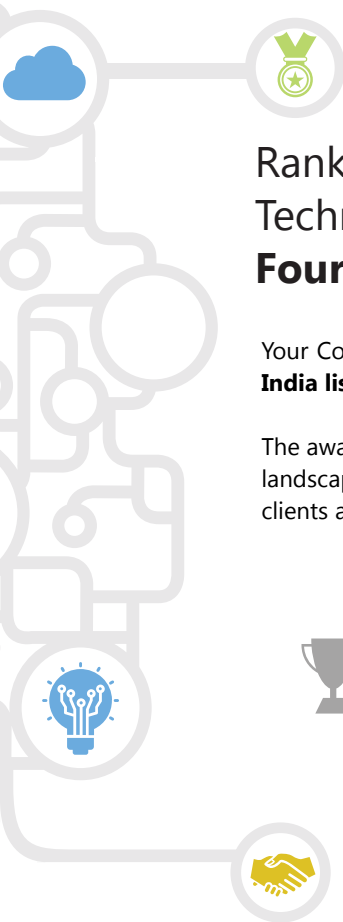
for the business. I believe Kellton Tech is prepared for the future and our underlying strengths will provide a strong foundation for success.

In the end, on behalf of the Board of directors of Kellton Tech, I would like to thank our clients, shareholders, and stakeholders for your trust and confidence in our competences and our abilities to deliver fantastic results. I would also like to thank Kellton'ites for their continued efforts in helping us become strategic partners to our clients, who are market leaders in their sectors.

As we move into the New Year, we are confident that we will be able to disrupt the market with our innovative solutions, maintain our growth trajectory, and handle challenges with ease in FY20.



HIGHLIGHTS
OF THE YEAR



Ranked among the 50 Fastest-growing Technology Companies of India for the **Fourth** Time

Your Company was ranked for the fourth time on the **Deloitte Technology Fast50 India list**, a ranking of the 50 fastest-growing technology companies in India.

The award is a measure of Kellton Tech's dominance in the IT services and consulting landscape. This recognition further affirms our commitment to delivering value to our clients across the globe.



Deloitte.
50 | Technology **Fast 50**
2018 Winner

Signs Multi-year Cloud-based IoT Project

In January 2019, we won a multi-year project with a leading provider of access control and security solutions. Your Company leveraged its technological expertise and innovative service delivery model to support the client in building a cloud-based device connectivity solution.

Our solution based on the smart intersection of cloud and IoT has helped the client reduce time-to-market, deliver enriching customer experience, streamline operations, optimize operational costs, and improve quality of service.

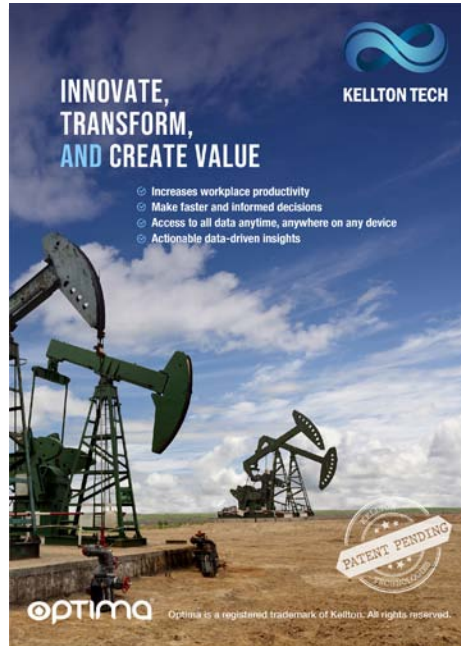




Successfully Implemented **Cloud-based IoT Solution** for the Oil & Gas Industry

Kellton Tech proudly announced the successful implementation of its Cloud-based AI-enabled IoT platform, Optima, for one of its clients in the oil and gas industry. Our proprietary IoT Edge device, Envision, a remote communication modular gateway was also used for the implementation.

Optima connects multiple wells to Envision with the help of controllers, and analog and digital sensors. On being deployed in downstream oil and gas enterprises, Optima optimizes and predicts events, which helps businesses cut down cumbersome maintenance processes and save millions of dollars.



Selected as the **Premier Innovation Partner** by Software AG

We were selected by Software AG as a Premier Innovation Partner for their Partners in Excellence (PINE) program.

 **software**^{AG} | PARTNER

Under the program, your Company will get exclusive support and access to Software AG experts for product development and R&D to extend and develop future go-to-market solutions.



Joined Software AG's 'The Changemaker Network' as **Select Innovation Partner**

Kellton Tech was among the select few Software AG partners to join "The Changemaker Network."

As part of the network, your Company will be able to effectively ideate, prototype, build, market, and implement solutions in the areas of disruptive technologies such as Cloud, IoT, and Analytics.



Sponsored Software AG **North America User Group 2018**

Your Company proudly sponsored the Software AG North America User Group 2018 events in New York and Chicago. The events provided an engaging platform where thought leaders got an opportunity to learn about the new capabilities in web Methods, ARIS, ADABAS & Natural, and Alfabet.

At the action-packed event, we had the opportunity of connecting directly with Software AG partners and customers. Kellton Tech's Software AG practice leaders and subject matter experts also held interactive sessions to give expert advice on all Software AG-related needs of the prospects.





Participated in **SAPPHIRE NOW** and **ASUG** Annual Conference, Orlando

Kellton Tech, an SAP Partner, participated at this year's SAPPHIRE NOW and ASUG Annual Conference in Orlando. The event was the largest business technology event attended by a number of global leaders from the industry.

At the event, we showcased our entire gamut of solutions, tools, and methodologies that have helped our clients drive intelligent outcomes and extraordinary levels of innovation across key business functions.



Participated in the IT Industry Thought **Leadership Roundtable Conference**

Kellton Tech enthusiastically participated in the "IT Industry Thought Leadership Roundtable Conference" presented by HP and powered by VAMRR. Homegrown respondents and representatives of global IT companies gathered at the event to discuss methods, practices, and approaches required to leverage emerging technologies.

A round-table was held post a 60-minute session, wherein CXOs from established enterprises and 12 young entrepreneurs from leading technology start-ups together held an interface session and one-on-one meetings.



Unleashing Mobile Experiences for **NASSCOM Technology & Leadership Forum 2019** Attendees

We were the official mobile app partner for the NASSCOM Technology & Leadership Forum 2019. The event is one of the notable platforms where technology evangelists and business leaders gather and discuss the changing business landscape, with respect to technologies and their adoption.

With the theme “The Next: Opportunity vs. Reality,” NTLF 2019 brought together techies, speakers, and leaders from across the globe to hold discussions and debates that can help enterprises build technology roadmaps



Official Mobile App Partner for **NASSCOM International SME Conclave 2019**

In FY2019, we were associated with NASSCOM International SME Conclave 2019 as their official mobile app partner. Karanjit Singh, CEO India, hosted an insightful session on “Skilling Imperative for SMEs.” During this session, he spoke about why SMEs need to reskill their workforce for the digitally transformed future.

NISC2019 witnessed propulsive discussions on creating a global platform for overseas SMEs to collaborate and show their skills, expertise, and solutions



FINANCIAL HIGHLIGHTS

EPS



2019
2018

07.79
06.60

18% ↑

NETWORTH



2019
2018

329.15
260.14

27% ↑

NET PROFIT



2019
2018

76.94
68.39

12% ↑

TOTAL
REVENUE



2019
2018

819.15
786.22

4% ↑



Our Workforce

Aligning our organization with an agile workforce has been our biggest manifestation in fiscal 2018. Our leadership was quick to understand that success in the new world required a people-first strategy and a laggard workforce could undercut business value. We embarked on this transformative journey a few years ago and made an effort to create a company that swiftly adapts to the world as it changes.

The results have been encouraging. Not only is our workforce empowered to execute digital strategies at speed, but also retains its enthusiasm and keenness to experiment for the upcoming disruption.

Inspired by an employee ecosystem that proactively adapts and innovates, your company has successfully seized the new-age digital opportunities to stay competitive and expand into new revenue markets. We have leveraged the disruptive technologies of today, including IoT, AI, and Data Analytics, to fundamentally change our bottom lines and enable leaner outcomes for the digital world. The sustainability of our workforce in the face of fluctuating demand is what holds us tight and adds to our functional readiness. This has proven to be our winning formula behind conquering new, high-growth frontiers.

Our Work Culture

Your Company thrives on a work culture that is value-driven and purpose-centric. We reinforce a vision wherein we define a collective purpose and align it strategically with the employee's career goals to ensure high performance. Our ethos is inclusive, caring, and empowers everyone to reach their full potential.

We invest in people and technology to nurture a diversified workforce that collaborates and innovates to deliver business value to our clients. Our offices are designed to encourage work-life balance and liberate workers from the desks to connect globally on the fly. This has been a huge win-win in terms of enhancing productivity.

When working with our clients, partners, and communities, we build solutions that transform lives and respond to market changes quickly. Our transformation to an agile mindset has helped us deliver projects on time and create new value for our shareholders. Our systematic, growth-oriented, and holistic approach towards digital innovation has also helped us in being recognized as an industry 'shape-shifter' and a leading contributor to high-end digital disruption.

Over time, Kellton Tech has won many prestigious awards and recognitions, which is a testament to our talented workforce and technological expertise. We have been placed on the Deloitte Technology Fast 50 India list four times and recognized twice by



Forbes Asia as one among the top 200 companies in 'Best under a Billion.' Our e-Governance project has been awarded the 'Best E-Governance Initiative of the Year' at BW Businessworld Digital India Summit 2016, and we have also been recognized in the category 'Digital Innovations in Service Provider Industry,' at the third edition of The Digitizing India Awards, a Cisco initiative in collaboration with CNBC-TV18.

These achievements mirror Kellton Tech's rising clout in IT services and consulting landscape and positions it at the pedestal of success. Nothing would have been possible without our employees who have been working hard day in and day out to deliver high-value projects.

In FY 18-19, we also saw a surge in the social responsibility initiatives by our employees. Going beyond our office boundaries, we encouraged our employees to carry out mass plantation drives across locations and make contributions to society by donating for the treatment of underprivileged children at hospitals, schools, etc. These initiatives demonstrate Kellton Tech values and help employees sustain a culture of care for the community.

Talent Acquisition

Unearthing right talent in the changing world has never been more challenging. Kellton Tech's talent acquisition strategy involves building lean operating models to hire efficiently with better transparency. Our recruitment approach is underpinned by top-down hiring principles where in we focus on filling

the highest value roles first and keeping a fair mix of youth and experience. Your Company believes that we can deliver solutions that appeal to masses and evoke great resonance in the market with the help of our talented resources. Our campus recruitment initiatives in the US, Europe, and India are making big headways and have been gaining traction from all quarters. We have hired Top B school graduates for key business roles in the year gone by.

Talent Diversity

Kellton Tech takes pride in its culturally diverse workforce. We have hired people from a myriad of backgrounds with different and unique perspectives. Their intellectual capabilities, also influenced by their respective cultures, have helped us in analyzing business challenges better and deliver innovative results. Our leadership deeply values the diversity based on different ethnic-lingual backgrounds and embeds it in our company philosophy in high esteem. As a leading IT services company with a global presence, we believe that it's our key responsibility to support and strengthen the multiple hues of diversity and ensure a fair world of opportunity for all.

Talent Development

The work environment is consistently changing and so is the need to build programs that can give employees opportunities to learn, develop, and grow. At Kellton Tech, we apply a simple and faster model driven by feedback from employees. Our talent development programs ensure our employees are



able to deal with unpredictable trends that disrupt and reshape the industry. The agile transformation of our workforces along with growth and learning opportunities have enabled us to constantly and nimbly match the right talent to the right strategic initiatives of your Company.

In FY 2018-19, we employed agile talent management strategies that complemented the business goals and boosted the efficiency of our employees. The focus was to build agile, lean, and highly skilled individuals who can lead our organization towards constant growth and success.

Our flexible and scalable agile talent management strategies have not only proved to be the key to engagement, retention, as well as, performance but they have also critically helped us address the evolving needs of the market.

HR Policies

An organization's HR policies should always be underpinned by its value, belief, and culture. At Kellton Tech, we defined agile HR policies that were responsive and nimble. These HR policies helped us forecast needs and design the most efficient systems that ensured that the right resources were available at the right time and at the right place.

Right from placement, work conditions, compensation and benefits, health and safety to performance management, leaves, harassment, and much more, our agile HR policies continuously worked on different parameters to establish optimum workplace di-

versity. Our policies enabled our workforce to make the most of their personal as well as professional life.

At a time when the workforce demand and supply lives in a teetered state, we ensured that our HR department follows nimble, iterative, perpetual, and collaborative approaches to make our HR policies robust. This enabled us to successfully cater to the ever-changing needs of our organization and implement incremental changes right on time.

Talent Engagement

The technology-landscape is spreading with a breakneck speed and is impacting the way talents are engaged. At Kellton Tech, we have designed an effective employee engagement program and measurement strategy from the ground up for improving employee engagement and performance.

Besides, work, training, and learning, our employee engagement program has ways to keep our employees encouraged and engaged throughout. On one hand, where festivals such as Holi, Halloween, Christmas, Fourth of July, and Eid filled employees' hearts with joy and happiness, the cricket tournament, kept them in high spirits. Other than this, we are using a social HRMS tool—'Blah Blah'—to give our workforce a perfect reason to engage and feel content.

Our talent engagement activities are predicated on the belief that employees should always feel rejuvenated at work and should never find themselves



dabbled in the work mess. In FY 2018-19, we also focused on developing bespoke talent engagement strategies that helped us prise open the door of satisfaction for employees.

Our investments in talent engagement programs not only helped us reduce attrition, but also helped us foster an environment and culture where employees find themselves working amidst an organic living workplace. These endeavors directly triggered our overall performance and created a room for creativity and innovation.



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2001 Butterfield Rd Suite 240
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D.C. Metro Area

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Visakhapatnam

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 **Singapore**

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Management Discussion and Analysis Report

INDUSTRY OVERVIEW

Economy

When compared to previous financial years, the worldwide boom leveled down this fiscal. The global economy, in the early stages of FY 2018-19, showed an upswing trend with the World Economic Outlook report projecting the growth to be 3.6%. However, the projection was undershot, which forced down the growth rate to be at approximately 3.3% at the end of the financial year.

The world economy was in turmoil throughout the year and multiple factors thwarted the growth. For instance, the government borrowings among the EMDEs substantially increased. The debts, which were 15% of the world GDP (Gross Domestic Product) in 2007, reached to approximately 51%. Another factor that led to a decelerated growth is the deepening trade disputes among countries such as the US, the Republic of China, Iran, and more.

Amidst so many disturbances, what gave a feel-good factor are improved job creation and the increase in wages that triggered a boost to the world economy. With the wings of the new digital world spreading and the great technology disruption getting pervasive, the advanced economies such as the US, Canada, and Germany witnessed a gradual fall in their unemployment rate. Even in economies such as Belgium, the Netherlands, and Denmark, the unemployment rate went down when compared to 2017. The matter in the UK, however,

remained severe due to Brexit, it is expected that the job creation and wages will start to show signs of improvement by the end of 2019. The emerging market and developing economies (EMDEs) also showed promising recovery with increased investments that were glacial but continuous. The World Bank predicts that the growth rate among the EMDEs will remain somewhere around 4% in 2019, but will gradually rise to reach approximately 4.6% in the years approaching.

As predicted in the previous fiscal, India will continue to play a critical role in keeping the global economy buoyed. In the mid of FY 2018-19, India secured a growth rate of 8.2 percent and the World Bank predicts a growth rate of 7.5% for FY 2019-20. The growth sentiments are further complemented by the forecasts made for South Asia, i.e., 6.9%. With a stable government and the credit growth underpinned by increased consumption rate, strong investment, and falling inflation rate, the Indian economy will continue to grow with an ebullient face.

The IT Industry

In fiscal 2018, technology innovations played a key role in helping businesses strongly align with the global economy. Nascent technology approaches with respect to distributed tech models, enterprise mobility, cloud, AI, and the measures adopted towards security enhancements triggered the reengineering of the New IT industry in FY18-19.

In FY20, the industry is expected to undergo a huge transformation. IDC predicts that by the end



of 2021, the direct digital transformation (DX) investment spending will reach over \$5.5 trillion. The global IT industry will strategize for what's next and play a cardinal role in reshaping the market with emerging forces of Blockchain, AI, IoT, AR/VR, Edge, Cloud, and more.

Gartner predicts that global IT spending is projected to total at \$3.76 trillion, which is an increase of 3.2 percent from the last year. The forecast further reveals that worldwide IT spending will continue its high tide to touch \$3.87 trillion in 2020. Additionally, the IT industry's growth in the Asia-Pacific region—which includes China, Japan, India, South Korea, and many other countries—looks optimistic, and they are spearheading the new IT trends with full momentum. Besides this, the APEC members are also catching up aggressively with the changing world.

IDC also predicted that by 2020, the IT and business services market in India is expected to be worth \$14.3 billion. Besides a constant increase in the offshore software development demand from advanced economies as well as the other parts of the world, the growth in India IT sector is stemmed from the government's substantial spending on Digital India initiative and Smart Cities mission.

BUSINESS

Overview

Kellton Tech has outpaced competition to emerge as the partner of choice for leading mission-critical digital transformation initiatives. Our unmatched expertise along with our domain knowledge has helped our clients strategically shift from physical to digital and unlock tangible gains.

To help our clients differentiate in the market, we align our strategy with our client's internal processes and systems, assess their operations closely, and create a roadmap that helps them reap benefits. We adopt a rational approach towards all our projects that has helped our clients consolidate revenue offerings in fiscal 2018. Another key driver behind our growth is the significant investments that we have made in the new, evolving technologies that have huge potential to disrupt the market. With innovation at heart and vision in mind, we are striving to break new grounds in the high-growth spheres of IoT and AI. We believe that there's no better time than today to build solutions that can simplify and accelerate IoT and AI adoptions at scale and help enterprises realize new efficiencies while driving superior shareholder value.

Strategy

Kellton Tech is a born-digital company and is proud to stay ahead of the curve by continuously investing in people, processes, and technology. Our strategy is focused on leading in the enterprise-driven market by remaining at the forefront with the help of our deep domain expertise in our chosen verticals. Our industry-focused offerings provide a definitive value proposition and resonate extremely well with our clients. The result is growing pipeline and improving win ratios.

Customer centricity has also been at the core of Kellton Tech's business strategy. The philosophy has been to leverage our industry knowledge and expertise to craft future-proof solutions that deliver impactful outcomes and give our clients a competitive edge in the market. In 2018-19, we made successful headways in the areas of IoT, Blockchain, Augmented Reality, Machine Learning, and Artificial Intelligence and strengthened our position in these



areas. Going forward, we strive to unleash more innovations across the whole spectrum of digital technologies and catapult our clients to the top of the competitive curve.

In 2019-20, we are poised to focus on the enterprise market and seek to collaborate in new ways to develop, scale, and deliver leading-edge solutions. We will also continue to focus on strengthening our alliances with key technology players, including SAP, Software AG, MuleSoft, and IBM to deliver high-performance solutions to our clients and help them grow significantly in the coming years. Given our unparalleled experience as a digital innovator, we are uniquely positioned to seize the next waves of growth and deliver value differentiation to our clients and partners sustainably.

Technology

The digital revolution is continuing space. Enterprises are heading to new business realities and leveraging innovative strategies for immediate value. We see examples of this everywhere—in how we work, shop, communicate, respond, learn, and grow. However now, enterprises are at a crucial turning point. Given the way technology is disrupting the status-quo, embracing digital isn't enough for the enterprises. They must imagine the new possibilities to stay ahead of the curve.

Your Company, in fiscal 2018, made enormous strides towards digital innovation and delivered key results in the areas of IoT, AR/VR, AI-ML, Blockchain, and Big Data among more. The aim was to leverage the position of our clients as long-term outperformers and boost their relevance in today's digital world.

Drawing on a combination of industry and functional expertise, we delivered high-performance digital solutions that helped our clients improve business performance and unlock tangible gains. Not only we have integrated top-shelf digital technologies with our clients' IT landscape, but have also developed prototypes to enable them to bring their potential future digital experiences to life. Multiple iterations are emblematic of our 'failing fast and fixing sooner' approach and also exhibit our commitment to delivering market-ready solutions.

Outlook

Exploring 'Infinite Possibilities with Technology' is Kellton Tech's driving force. We are constantly on the lookout for the most provocative opportunities that might change the face of digital and empower the businesses of today. In the coming future, we will continue making significant investments in achieving technology differentiation and creating new value for our clients and stakeholders. By adopting an accelerated approach towards digital innovation, we pledge to serve our global clientele in relevant ways and position them to lead the economies of scale from the forefront.

RISKS & CONCERNS

GDPR and Compliance Risks

Tackling data, in the post-GDPR age, is like walking the tightrope. Global enterprises are trying to achieve the highest levels of privacy protection for the benefit of the customers and ensure GDPR compliance. Let alone large-scale enterprises, companies with reasonably well-structured data landscapes are facing difficulties in retrieving personal data from disparate silos and achieving 100% compliance. As a global business operating in countries



with diverse economic and political conditions, Kellton Tech continues to analyze the potential risks arising from the UK's decision to exit the European Union (Brexit). We have adopted a GDPR Compliance Approach that ensures privacy by identifying data locations and types which fall within the compass of GDPR, mitigating the trust issues that the client may face. Our team of data scientists scans large amounts of data frequently and demarcates sources which need compliance. Doing so, we exhibit an uncompromising stand on user privacy. We also train our employees on data protection and give them industry-specific insights to ensure they don't play with the private information of the customer. Our training sessions are aimed at helping our workforce understand the deepening privacy crisis and the need for aggressive countermeasures to neutralize the existing dangers.

Data Privacy

In an ever-expanding digital landscape, data remains a sitting target. This is primarily a consequence of enterprises failing to regulate their extended supply chains. Over the past few years, the cases of cyber-attacks and malware campaigns have resulted in catastrophic damage besides unveiling an alarming challenge—the evolving sophistication of attack techniques. The new-age cybercrimes have no intent on stealing data, but destroying and changing it to sow distrust. In the backdrop of such a precarious state of security, enterprises must direct investments in building innovative systems that prove effective against breach threats. Training employees to think and act while prioritizing security is also vital to build the defense system of the enterprise. Kellton Tech relies on strict data methodologies and risk assessment programs that yield strong encryption and protect the confidentiality of the user data. We adopt and continually enhance secu-

rity measures around data handling, maintenance, and sharing to help our clients prevent information loss and boost cyber resilience.

Global Political and Economic Risks

Flip-flop on geopolitical conditions or a paradigm shift in the economic scenario of any country can have a positive as well as a negative impact on a global player like Kellton Tech. An upswing in political and economic conditions can accelerate growth, whereas adverse conditions can mar performances and lead to huge economic losses.

Therefore, enterprises need to take appropriate measures to reduce dependency on markets. Kellton Tech follows an expansive approach towards delivering offshore development services in the US, the UK, the APAC region, as well as, in the other parts of the world. The experts at Kellton Tech create a thoughtful growth strategy that can anticipate and mitigate emerging risks if any. They also make political and economic forecasts that help them uncover insights and enable enterprises stay afloat in the changing political and economic scenarios.

M&A Integration Risks

Acquisitions, mergers, and integrations are never-ending functions of businesses and therefore, we believe it is vital for us to keep our strategic objectives right before making such decisions. To match competitors stride for stride, we have experienced M&A experts in our team, who are involved in planning, efficient execution, and seamless integration of companies.

Right from screening, financial planning to drafting a legal structure, and more, the experts in Kellton Tech's standing M&A team efficiently handles all the



contingencies evident for a particular deal. The team abides by the project-driven approaches to widen the scope of growth, boost global efficiency, mitigate the underlying risks, and make successful mergers and acquisitions. Our experts, flanked by efficient management, ensure that every single deal and endeavor to boost the company's digital assets helps us gain consistent growth and reap competitive advantages.

Competition

At a time, when businesses worldwide are approaching digital transformation solution providers to catch up with the pace of industry 4.0, we believe in discerning ways to keep striking the competition cord with a bang. Kellton Tech is a frontrunner in providing technology solutions and a true digital transformation enabler, adopting business, cultural, and technological best practices to deliver business value to clients.

We have established R&D labs, where our experts experiments with next-gen technologies. Furthermore, wealso evaluate current market trends, study the paradigm shift in the business environment, and define new use cases of emerging technologies to help businesses across the globe prise open the door of opportunities. Besides this, your Company has also created multiple Centers for Excellence (CoE) that serves as competency centers to address the current business challenges. We offer unique offerings with Flexi engagement models to businesses seeking industry-grade, technology-based digital solutions.

Material Development in Human Resources

The workforce has always been and will continue to be the jugular vein for businesses. On one hand, where recruiting and retaining talents are the key to success for an organization, reskilling of the workforce with continuous training and expansive learning programs exemplify growth in a holistic sense. At Kellton Tech, every year we invest in remodeling our employee programs so that our workforce is able to perform with aplomb, midst the continuously changing business environment.

Believing in the fact that our employees are the face of the company, we conducted regular training sessions to keep them intrigued as well as ebullient. We invested in technologies that not only accelerated their advanced learning processes but also enabled them to deliver stellar performances both internally and on client sites.

We developed an ecosystem where our employees represent our company with best of their capabilities; are aware of the trending technologies and best industry practices; and are masters in the role they play. We instilled in them a culture, which is predicated on knowledge and pragmatic work approaches. It not only widened their scope of growth but also made them engaged, connected, and most importantly, content.



CORPORATE INFORMATION

BOARD OF DIRECTORS

1.	Mr. Niranjana Chintam	- Chairman & Whole-Time Director
2.	Mr. Krishna Chintam	- Managing Director
3.	Mr. Karanjit Singh	- Whole-Time Director
4.	Mr. Srinivas Potluri	- Non-Executive Director
5.	Mr. Brijmohan Venkata Mandala	- Independent, Non-Executive Director
6.	Mr. Srinivasa Vijay Kumar Appana	- Additional Independent, Non-Executive Director (Appointed w.e.f. 15.01.2019)
7.	Mr. P V V Srinivasa Rao	- Independent, Non-Executive Director
8.	Ms. Kunda Kalpana	- Independent, Non-Executive Director

KEY MANAGERIAL PERSONNEL

Mr. Krishna Chintam	Managing Director
Mr. Niranjana Chintam	Whole Time Director & Chief Financial Officer
Mr. Karanjit Singh	Whole Time Director
Mr. Ahsan Ali Hussain Ajani	Company Secretary (Appointed w.e.f. 14.02.2019)

COMMITTEES OF THE BOARD

Audit Committee

Name	Category of Director	Designation
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Chairman
Mr. Srinivasa Vijay Kumar Appana	Additional Non-Executive Independent Director	Member
Mr. Niranjana Chintam	Executive Director	Member

Nomination & Remuneration Committee cum Compensation Committee

Name	Category of Director	Designation
Mr. Srinivasa Vijay Kumar Appana	Additional Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Srinivas Potluri	Non-Executive Director	Member
Mr. Niranjana Chintam	Executive Director	Member



Stakeholders Relationship Committee

Name	Category of Director	Designation
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Chairman
Mr. Srinivasa Vijay Kumar Appana	Additional Non-Executive Independent Director	Member
Mr. Krishna Chintam	Executive Director	Member

Corporate Social Responsibility Committee

Name	Category of Director	Designation
Mr. Srinivasa Vijay Kumar Appana	Additional Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Krishna Chintam	Executive Director	Member

Securities Issuance Committee

Name	Category of Director	Designation
Mr. Niranjan Chintam	Executive Director	Chairman
Mr. Krishna Chintam	Executive Director	Member
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member

Risk Management Committee

Name	Category of Director	Designation
Mr. Srinivasa Vijay Kumar Appana	Additional Non-Executive Independent Director	Chairman
Mr. Brijmohan Venkata Mandala	Non-Executive Independent Director	Member
Mr. Niranjan Chintam	Executive Director	Member

CORPORATE IDENTITY NUMBER : L72200TG1993PLC016819

CORPORATE OFFICE & REGISTERED OFFICE

Plot No. 1367, Road No. 45,
Jubilee Hills, Hyderabad
Telangana – 500 033
Tel No - 040-44333000
Email id: compliance@kelltontech.com
Website: www.kelltontech.com

STATUTORY AUDITORS

M/s. P A R Y & Co
Chartered Accountants,
Flat No.403, Block -a, Ameer Estates, S R Nagar
Hyderabad - 500038, Telangana
Email Id: vamshikrishna@paryca.org
Tel No.: 040-23741985

INTERNAL AUDITOR

Ankit Sanjay Bamboli
Chartered Accountant

SECRETARIAL AUDITOR

Mr. NVSS Suryanarayana Rao
Practicing Company Secretary



SHARE TRANSFER AGENTS & DEMAT REGISTRARS

M/s XL Softech System Limited
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad – 500 034, Telangana
e-mail ID: mail@xlsoftech.com
Phone: 040-23545913

WEBSITE

<https://www.kelltontech.com>

BANKERS

Axis Bank
Corporate Banking Branch , Hyderabad – 500 034
IndusInd Bank, Sardar Patel Rd, Begumpet,
Secunderabad, Telangana 500003

COMPLIANCE OFFICER

Mr. Ahsan Ali Hussain Ajani
Company Secretary
Email id: compliance@kelltontech.com

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of the notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the following addresses.

CORPORATE OFFICE	SHARE TRANSFER AGENTS & DEMAT REGISTRARS
Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 Telangana Tel No - 040-44333000 Email id: compliance@kelltontech.com Website: https://www.kelltontech.com	M/s XL Softech System Limited 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034, Telangana e-mail ID: mail@xlsoftech.com Phone: 040-23545913
SEBI has made it mandatory for every participant in the Securities/Capital Market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, all the shareholders holding shares in physical form are requested to submit their details of PAN along with photocopy of both sides of PAN card, duly attested to the Demat Registrar and Share Transfer Agent of the Company, M/s. XL Softech System Limited as above.	



NOTICE OF 25TH ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the members of Kellton Tech Solutions Limited will be held on Friday, September 27th, 2019 at 11:00 a.m at Ebony Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500034 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt:

- the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019, the Report of the Board of Directors and the Report of the Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Auditors thereon.

2. To appoint a director in place of Mr. Srinivas Potluri (DIN: 03412700), Non-Executive Director, who retires by rotation and being eligible offers himself for re-appointment.

3. To re- appoint M/s. PARY & Co, Chartered Accountants (Firm Registration No. FRN007288C) as Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for time being in force) and pursuant to the recommendations of the Audit Committee and Board of Directors, the approval of members of the Company be and is hereby accorded for re-appointment of M/s. PARY & Co, Chartered Accountants (Firm Registration No. FRN007288C) as the Statutory Auditors of the Company, for a period of five (5) years, from conclusion of this Annual General Meeting till the conclusion of sixth consecutive Annual General Meeting to be held for the financial year 2023-24, at such remuneration as may be fixed by the Audit Committee and Board of Directors of the Company in mutual consent with the Auditors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."



SPECIAL BUSINESS:

4. To appoint Mr. Srinivasa Vijay Kumar Appana (DIN: 00299638) as Director of the Company

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152, 161(1) and any other applicable provisions of the companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, subject to the statutory modification(s) or re-enactment thereof for time being in force and subject to the enabling provisions of the Articles of Association of the Company and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration cum Compensation Committee and Board of Directors, consent of the Members of the Company be and hereby accorded to regularise the appointment of Mr. Srinivasa Vijay Kumar Appana (DIN: 00299638), as Director of the Company, who was appointed as additional Director of the Company with effect from 15.01.2019."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

5. To appoint Mr. Srinivasa Vijay Kumar Appana (DIN 00299638) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration cum Compensation Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to appoint Mr. Srinivasa Vijay Kumar Appana (DIN 00299638) as a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who shall hold office for five (5) consecutive years commencing from 15.01.2019 upto period ended 14.01.2024, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."



6. To re-appoint Mr. Niranjan Chintam (DIN: 01658591) as Whole-Time Director of the Company

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration Committee cum Compensation Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Niranjan Chintam (DIN: 01658591) as the Whole Time Director of the Company for a period of 3 (Three) years ending upto 31.10.2021, on such remuneration, terms and conditions as recommended by the Nomination and Remuneration cum Compensation Committee."

"RESOLVED FURTHER THAT Mr. Niranjan Chintam, as Whole Time Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company."

"RESOLVED FURTHER THAT in the event in any financial year during his tenure, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay, remuneration in accordance with the limits as per the provisions of Schedule V of Companies Act, 2013."

"RESOLVED FURTHER THAT any of the Director of the Company be and is hereby authorised to file Form No.MR-1, DIR-12 or such other forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions."

7. To re-appoint Mr. Krishna Chintam (DIN: 01658145) as Managing Director of the Company

To consider and if thought fit to pass with or without modification the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration cum Compensation Committee and Board of Direc-



tors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Krishna Reddy Chintam (DIN: 01658145) as the Managing Director of the Company for a period of 3 (Three) years, ending upto 08.04.2021, on such remuneration, terms and conditions as recommended by the Nomination and Remuneration Cum Compensation Committee.”

“**RESOLVED FURTHER THAT** Mr. Krishna Chintam, as Managing Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.”

“**RESOLVED FURTHER THAT** in the event in any financial year during his tenure, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay, remuneration in accordance with the limits as per the provisions of Schedule V of Companies Act, 2013.”

“**RESOLVED FURTHER THAT** any of the Director of the Company be and is hereby authorised to file Form No.MR-1, DIR-12 or such other forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions.”

8. To re-appoint Mr. Karanjit Singh (DIN: 06898258) as Whole-Time Director of the Company

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration cum Compensation Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Karanjit Singh (DIN: 06898258) as Whole Time Director of the Company for a period of 3 (Three) years, ending upto 29.03.2021 on such remuneration, terms and conditions as recommended by the Nomination and Remuneration Cum Compensation Committee.”

“**RESOLVED FURTHER THAT** Mr. Karanjit Singh, as Whole Time Director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the Company’s business and such other benefits/amenities and other privileges, as any from time to time, be available to other Senior Executives of the Company.”



“RESOLVED FURTHER THAT in the event in any financial year during his tenure, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay, remuneration in accordance with the limits as per the provisions of Schedule V of Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time upon the recommendations of Nomination and Remuneration Committee, to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

“RESOLVED FURTHER THAT any of the Director of the Company be and is hereby authorised to file Form No. MR-1, DIR-12 or such other forms with the office of the Registrar of Companies and to make necessary entries in the Register of Directors maintained by the Company and to take all other necessary steps as may be required under the Companies Act, 2013 for giving effect to these resolutions.”

9. To re-appoint Mr. Brijmohan Venkata Mandala (DIN: 00295323) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as recommend by the Nomination and Remuneration cum Compensation Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Brijmohan Venkata Mandala (DIN: 00295323) as a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who shall hold office for five (5) consecutive years commencing from 22.12.2019 upto the period ended 21.12.2024, not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”



10. To authorise Board of Director to pledge shares of subsidiaries for availing loans

To consider and if thought fit, to pass, with or without modifications(s), the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a), other applicable provisions under Companies Act, 2013 as may be amended from time to time, Articles of Association of the Company, and subject to the approvals of the Reserve Bank of India, Financial Institution(s), as may be required and such other approvals, permissions and sanctions of Appropriate Authorities, as may be applicable and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any committee(s) constituted/ to be constituted by the Board), for creation of pledge over 100% of equity shares held as investment by the company, in its wholly owned Subsidiaries and step-down subsidiaries (through its wholly owned subsidiaries) in such form and manner and on such terms and at such time(s) as the Board of Directors may deem fit, as and when required, in favour of the Consortium of Banks situated in India or abroad, as a collateral securities in terms of the stipulations by the Banks and Financial Institutions for the Loans and credit facilities sanctioned by them to any of subsidiaries of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to take such steps, as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate, on behalf of the Company for the purpose of giving effect to the aforesaid Resolution.”

11. To authorise Board of Directors to give loan, provide Corporate Guarantee/ security and invest in the securities of other Body Corporate

To consider and if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 186 and other applicable provisions of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014, Articles of Association of the Company, any other applicable provisions, if any and subject to necessary approvals, if required, approval of the shareholders be and is hereby given to the Board of Directors for giving of guarantee or providing security in connection with a loan to any other body corporate or person up to an amount, the aggregate outstanding



of which should not, at any time, exceed Rs.200/- Crore (Rupees Two Hundred Crore only) which shall be over and above the aggregate of free reserves and securities premium account, and the aggregate outstanding amount of loans/ guarantees/ securities/ investments, given/ provided/ made, from time to time.”

RESOLVED FURTHER THAT the Board of Directors is hereby authorized to decide, from time to time, the amounts to be invested, loans / guarantees to be given and securities to be provided to any person and / or bodies corporate within the above mentioned limits, finalize terms and conditions, execute necessary documents, delegate all or any of these powers to any Sub-Committee/ Director(s) / Officer(s) of the Company, settle any question, difficulty or doubt that may arise in this regard and do all acts, deeds and things which it considers proper for giving effect to this resolution.”

By the order of the Board

For **Kellton Tech Solutions Limited**

Sd/-

Krishna Chintam
Managing Director

DIN: 01658145

Place: Hyderabad

Date: 03/09/2019

Registered Office

Plot No. 1367, Road No. 45,
Jubilee Hills, Hyderabad – 500 033
Telangana



NOTES :

1. An Explanatory Statement under Section 102 (1) of the Companies Act, 2013, in respect of Special Business at the meeting, is annexed hereto and forms part of this notice.
2. The statement of the particulars of Directors seeking Appointment / Re-appointment is enclosed as **Annexure A**, as required under sub-regulation (3) of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Directors have furnished the requisite declarations for their appointment/re-appointment.
3. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its registered office not later than 48 (forty-eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
4. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20th September, 2019 to Friday, 27th September, 2019 (both days inclusive).
6. Members are requested to bring the Attendance Slip duly filled in and signed mentioning therein details of their DP ID and Client ID/ Folio No., which is enclosed herewith, and hand over the same at the entrance of AGM venue.
7. Members who hold shares in dematerialised form are requested to bring their depository account Number (Client Id and DP Id No) for easier identification and recording of the attendance at the meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.



9. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting

10. Members/Proxies are requested to bring their copies of Annual Report to the meeting. As an austerity measure, copies of Annual Report will not be distributed at the meeting. Members may also note that the Notice of the 25th AGM and the Annual Report for 2018-2019 will also be available on the Company's website www.kelltontech.com for download.

11. Members desirous of seeking any information on the accounts or operations of the company are requested to write to the Company at least 10 days prior to the Meeting so that the required information can be made available at the Meeting.

12. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

13. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar & Share Transfer Agent, M/s. XL Softech System Limited. Members holding shares in electronic form must send the advice about the change of address to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.

14. Members holding shares under multiple folios are requested to consolidate their holdings, if the shares are held in the same name or in the same order of names.

15. The equity shares of the Company have been notified for compulsory trading in demat form. The Company has signed a tripartite agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and M/s. XL Softech System Limited to facilitate dematerialisation of shares. Members are requested to avail of this facility and have their shareholding converted into dematerialised form.

16. Relevant Documents referred to in the accompanying notice and the Explanatory Statement is open for inspection at the registered office of the company on all working days during the business hours up to the date of the Annual General Meeting.

17. In terms of Section 160, any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate



for that office not less 14 (fourteen) days before the meeting along with deposit of Rs.1,00,000 (Rupees One Lakh).

18. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with their respective Depository Participants. Members who hold shares in physical form are requested to fill and send the required details to the Registrar and Share Transfer Agent, M/s. XL Softech System Limited at 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034, Telangana.

19. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

20. Members holding shares in the company and who have not registered their mail id with the company or the depository and wish to avail e-voting may write to the registrar or the company quoting their client id/ folio no and DP id so as to send the password for e-voting. Hard copy of the ballot paper will be provided at the venue of the AGM for those members who have not exercised their e-voting.

21. Pursuant to prohibition imposed vide Secretarial Standards on General Meetings (SS-2) issued by ICSI and the MCA Circular, no gifts shall be distributed at the meeting.

22. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

23. With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on June 8, 2018 to permit transfer of listed securities only in the dematerialized form with a depository. In view of the above and the inherent benefits of holding shares in electronic form, we urge the shareholders holding shares in physical form to opt for dematerialization.



24. Voting through electronic means:

In compliance with the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2016 and all other applicable provisions, shareholders are provided with the facility to cast their vote electronically, through the Remote e-voting services provided by CDSL, in respect of all resolutions set forth in this Notice.

The Company is also providing the facility for voting by way of physical ballot at the Annual General Meeting. Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.

The facility for voting through ballot paper shall be made available at AGM and members attending the meeting and who have not cast their vote by remote e- voting shall be able to exercise their right at the meeting through the ballot paper.

Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

A person whose name is recorded in the registrar of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e, 19.09.2019 only shall be entitled to avail the facility of remote e-voting.

1. Voting through electronic means :

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote E-Voting platform provided by CDSL.

2. The instructions for Remote E-Voting are as under :

I. The instructions for shareholders voting electronically are as under:

i. The voting period begins on 24.09.2019 at 09.00 AM and ends on 26.09.2019 by 05.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date / record date 19.09.2019 of may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.



iii. The shareholders should log on to the e-voting website www.evotingindia.com.

iv. Click on Shareholders.

v. Now Enter your User ID a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

a) For Members holding shares in Demat Form and Physical Form PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

b) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

c) In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

d) Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

e) If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN for the relevant on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page. 4

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Note for Non – Individual Shareholders and Custodians Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. The Scrutinizer Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretary, Hyderabad shall within a period not exceeding three (3) working days from the conclusion of the Remote E-Voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.



III. The results shall be declared on or before the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website www.kelltontech.com and on the website of M/s. XL Softech System Limited. Within two (2) days of passing of the resolutions at the AGM of the Company and be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013:

Item No.4

Mr. Srinivasa Vijay Kumar Appana, was appointed as an Additional Director of the Company with effect from 15th January, 2019 by the Board of Directors under Section 161, 149 (1) of the Act.

In terms of Section 161(1) of the Act, Mr. Srinivasa Vijay Kumar Appana, holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. Board of Directors of the Company upon recommendation of Nomination and Remuneration cum Compensation Committee has proposed the appointment of Mr. Srinivasa Vijay Kumar Appana, who has signified his intention to be appointed as Director of the Company.

The Directors are of the view that the appointment of Mr. Srinivasa Vijay Kumar Appana, as Director will be beneficial to the operations of the Company and hence said resolution being placed before the members for their approval.

Your Directors recommend that the said resolution may be passed as an Ordinary Resolution.

Except Mr. Srinivasa Vijay Kumar Appana, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Item No.5

Mr. Srinivasa Vijay Kumar Appana, was appointed as an Additional Director under Non executive Independent Capacity by the Board of Director upon the recommendation of Nomination and Remuneration cum Compensation Committee at their meeting held on 15.01.2019, subject to approval of members in the ensuing Annual General Meeting.

Mr. Srinivasa Vijay Kumar Appana, being eligible and offers himself for appointment as Independent Non-Executive Director of the Company and also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act. On the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors it is proposed to appoint him as non-execu-



tive Independent Director for five (5) consecutive years commencing from 15.01.2019 upto period ended 14.01.2024, not liable to retire by rotation.

Your Directors recommend that the said resolution may be passed as an Ordinary Resolution.

Except Mr. Srinivasa Vijay Kumar Appana, none of the Directors and Key Managerial Personnel of the Company and their respective relatives, in any way concerned or interested, financially or otherwise, in the resolution.

Item No.6

Members may note that on the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors in their meetings held on 03.09.2019 has ratified the appointment of Mr. Niranjana Chintam w.e.f 01.11.2018 as a Whole Time Director of the Company for a period of 3 years and in compliance with provisions of Section 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Schedule V of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors has proposed the resolution before the members of the Company for re- appointment of Mr. Niranjana Chintam as Whole time Director of the Company for a further period of 3 (Three) years upto period ended 31.10.2021, on such remuneration, terms and conditions as recommended by the Nomination and Remuneration cum Compensation Committee.

Your Directors recommend that the said resolution may be passed as an Ordinary Resolution.

Except Mr. Krishna Chintam, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Item No.7

Members may note that on the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors in their meetings held on 03.09.2019 has ratified the appointment of Mr. Krishna Chintam w.e.f 09.04.2018 as a Managing Director of the Company for a period of 3 years and in compliance with provisions of Section 196, 197, 203 and any other applicable provisions, of Companies Act, 2013, ("Act"), read with Schedule V of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors has proposed the resolution before the members of the Company for i re- appointment of Mr. Krishna Chintam as Managing Director of the Company for a further period of 3 (Three) upto period ended 08.04.2021, on such remuneration, terms and conditions as recommended by the Nomination and Remuneration Cum Compensation Committee.

Your Directors recommend that the said resolution may be passed as an Special Resolution.



Except Mr. Krishna Chintam, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

Item No.8

Members may note that on the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors in their meetings held on 03.09.2019 has ratified the appointment of Mr. Karanjit Singh w.e.f 30.03.2018 as a Whole Time Director of the Company for a period of 3 years and in compliance with provisions of Section 196, 197, 203 and any other applicable provisions, of Companies Act, 2013, ("Act"), read with Schedule V of the Act and SEBI (LODR) Regulations, 2015, the Board of Directors has proposed the resolution before the members of the Company for the re- appointment of Mr. Karanjit Singh as Whole Time Director of the Company for a further period of 3 (Three) upto period ended 30.03.2021, on such remuneration, terms and conditions as recommended by the Nomination and Remuneration Cum Compensation Committee.

Your Directors recommend that the said resolution may be passed as an Ordinary Resolution.

Except Mr. Karan Jit Singh, none of the Directors, Key Managerial Personnel and their relatives may be deemed to be concerned or interested in the Resolution.

Item No.9

Pursuant to the provisions of Section 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Mr. Brijmohan Venkata Mandala was appointed as an non-executive Independent Director of the Company for a period of 5 (five) consecutive years which will end on 22.12.2019. He has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and is also eligible for appointment.

Members may note pursuant to the applicable provision of the Act and on the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors and in compliance SEBI (LODR) Regulations, 2015 it is proposed to re-appoint Mr. Brijmohan Venkata Mandala as an non-executive Independent Director of the Company, for a period of 5 (five) consecutive years on the Board of the Company commencing w.e.f. 22.12.2019 upto period ended 21.12.2024.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services. Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the notice for the re-appointment of Mr. Brijmohan Venkata Mandala as an non-executive Independent Director of the Company.



Except Mr. Brijmohan Venkata Mandala, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

Item No.10

As mentioned under item 10 above, the Wholly-Owned Subsidiaries of the Company contribute to a large extent to the revenue of the Company and therefore, have extensive working capital needs. The terms of sanction, as stipulated by Lenders to the subsidiaries inter alia include providing securities by the holding Company (by pledge of shares held by the Company in the Wholly-Owned Subsidiaries in favor of the Consortium of Banks in India or abroad).

As per Section 180(1)(a), the Company is required to obtain consent of the Shareholders by way of Special Resolution, if the transaction involves the selling, leasing, or otherwise disposing off the whole or substantially whole of an undertaking in which the investment of the Company exceeds 20% of its net worth. The investment of the Companies in its wholly owned subsidiaries is more than 20% of its net worth as per the audited financial statements of the Company. Therefore, the Company seeks the approval of its members for pledging of its shares held in its wholly-owned subsidiaries for availing credit facilities for its Subsidiaries.

The consent of the Members is sought by way of Special Resolution at item no.10 to facilitate provision of Securities to Lenders by way of pledge of shares of its subsidiaries. The Board recommends the Resolution for approval by the Members.

None of the Directors, Key Managerial Personnel and their relatives may be deemed to be concerned or interested in the Resolution.

Item No.11

Pursuant to the provisions of Section 186 of the Companies Act, 2013, a company can give any loan, guarantee, provide security or make investment in shares, debentures etc. up to an amount of 60% of its paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account, whichever is higher.

A company may give loan, guarantee, provide security or make investment in shares, debentures etc. exceeding the above limits with the prior approval of shareholders by means of a special resolution. Company is required to execute Corporate Guarantee(s) in favor of the lenders granting term loan and working capital facilities to the subsidiaries abroad and in India and hence it is put up before the members



to authorized Board of Directors for grant of loan, corporate guarantee, invests in other body corporate in excess of the aggregate of free reserves and securities premium account, and the aggregate outstanding amount of loans/ guarantees/ securities/ investments given/ provided/ made, from time to time for an aggregate amount not exceeding Rs. 200 Crores only, in favor of the secured lenders.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the members.

None of the directors, Key managerial personnel or their relatives are interested in the above said item of business.

By the order of the Board

For **Kellton Tech Solutions Limited**

Sd/-

Krishna Chintam
Managing Director

DIN: 01658145

Place: Hyderabad

Date: 03/09/2019



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 25th Annual Report on the business and operations of your company for the financial year ended March 31st 2019.

1. FINANCIAL RESULTS:

During the year under review, the Company has achieved Comprehensive income of Rs. 75.07 crores. However, your Directors look forward to improve the financial position of the Company and are optimistic about the future growth and performance of the Company.

The summarized financial results of the Company for the period ended March 31, 2019 are as follows:

STANDALONE

(Amt in Rs.)

Particulars	2018-19	2017-18
Revenue from operations	1,11,17,57,704	1,22,54,38,764
Other Income	4,48,31,816	2,47,52,266
Total Revenue	1,15,65,89,520	1,25,01,91,030
Total Expenditure	1,04,13,36,220	1,10,95,21,753
Profit/(Loss) before taxes	11,52,53,300	14,06,69,277
Tax Expense	(3,07,70,671)	(4,21,11,834)
Profit/(Loss) after Tax	8,44,82,629	9,85,57,443
Earnings per equity shares in Rs.	0.90	1.04
Total Comprehensive Income for the period	8,65,64,228	10,04,47,816

CONSOLIDATED

(Amt in Rs.)

Particulars	2018-19	2017-18
Revenue from operations	8,14,11,22,411	7,83,47,99,953
Other Income	5,03,87,944	2,74,43,022
Total Revenue	8,19,15,10,355	7,86,22,42,975
Total Expenditure	7,21,77,87,687	6,86,75,97,318
Profit/(Loss) before taxes	97,37,22,668	99,46,45,657
Tax Expense	(20,42,99,754)	(31,06,97,960)
Profit/(Loss) after Tax	76,94,22,914	68,39,47,697
Earnings per equity shares in Rs.	7.79	6.60
Total Comprehensive Income for the period	75,07,09,639	63,58,66,741



2. REVIEW OF PERFORMANCE AND STATE OF THE COMPANY'S AFFAIRS:

During the year under review, the overall performance of the Company was reasonable considering to the Sector/market conditions.

During the year under review, Members will notice that the gross revenues have decreased from Rs. 1,25,01,91,030 to Rs. 1,15,65,89,520 while the Profit before Tax also decreased from Rs. 14,06,69,277 to Rs. 11,52,53,300. The earnings per share is Rs. 0.90 as compared to Rs. 1.04 in the previous year.

3. CONSOLIDATED FINANCIAL STATEMENT:

The Consolidated Financial Statements for the financial year 2018-19 of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report. The Consolidated Revenue of your Company for the year ended March 31, 2019 is Rs. 8,19,15,10,355 as against previous year revenue of Rs. 7,86,22,42,975. The Consolidated Net Profit for the year stood at Rs. 76,94,22,914 as against previous year consolidated net profit of Rs. 68,39,47,697.

4. CHANGE IN THE NATURE OF BUSINESS, if any:

There is no change in the nature of business of the Company or any of its subsidiaries or joint venture, during the year under review.

5. DIVIDEND AND TRANSFER TO RESERVES:

Although your Company has earned profits during the year, the Board of Directors have decided to plough back the Profits into the Company. Therefore, your Directors have not recommended any dividend for the financial year 2018-19. There were no transfers to Reserves during the financial year 2018-19.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of the report.

7. SHARE CAPITAL:

The Authorized Share Capital of the Company stands at Rs. 60,00,00,000 (Rupees Sixty Crore only) divided into 12,00,00,000 (Twelve Crore only) Equity Shares of Rs. 5/- (Rupees Five) each and the Paid up Share Capital stand at Rs. 48,19,12,340 (Rupees Forty Eight Crore Nineteen Lakh Twelve Thousand Three Hundred and Forty only) divided into 9,63,82,468 (Nine Crore Sixty Three Lakh Eighty Two Thousand Four Hundred and Sixty Eight only) Equity Shares of Rs. 5/- each.

During the year under the review there was no change in the Share Capital of the Company.



The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

I)The shareholders of the company has vide resolution passed at the 19th Annual General Meeting approved ESOP 2013 and has granted options to the employees.

Disclosure regarding Employees Stock Option Plan and forming part of the Directors' Report for the year ended 31st March, 2019 is as follows:

S.NO	Particulars	Description
1.	Date of Share holder's approval	ESOP Scheme, 2013 as approved on 27/12/2013 and amendment made on 27/09/2017 at the 23 rd Annual General Meeting of the Company
2.	Total number of options granted	25,27,500
3.	Vesting requirements	12-60 months
4.	The pricing formula	Closing price of equity shares on the stock exchange where the shares are listed from vesting date
5.	Maximum term of options granted	Employees to exercise options within 3 years
6.	Source of shares	Primary
7.	Method used to account for ESOS	Fair Value

Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	4,91,362
Number of options granted during the year	1,00,000
Number of options forfeited / lapsed during the year	0
Number of options vested during the year	4,45,363
Number of options exercised during the year	0
Number of shares arising as a result of exercise of options	0
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	NIL
Number of options outstanding at the end of the year	5,91,362
Number of options exercisable at the end of the year	4,40,359

The Note: Details of disclosures pursuant to ESOP required under SEBI (Share Based Employee Benefits) Regulations, 2009 are available at the website www.kelltontech.com

8. LISTING WITH STOCK EXCHANGES:

The Equity Shares of your Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to NSE and BSE where the Company's Shares are listed.



9. DIRECTORS , KEY MANAGERIAL PERSONNEL & ITS BOARD MEETINGS:

The Board of Directors of your company is duly constituted.

During the year under review Mr. Rajendra Naniwadekar, an Independent Director, resigned as member of the Board effective 14.11.2018 to pursue new opportunities. Your Board of Directors has taken a record of same and appreciates his contribution to the Company during his tenure.

During the year under review Mr. Ahsan Ali Hussain Ajani, Associate Company Secretary, was appointed as Company Secretary & Compliance Officer of the Company on the recommendation of Nomination & Remuneration cum Compensation Committee and approved by the Board of Directors in their meeting, w.e.f. 14.02.2019 in place of Ms. Pawni Bhawe. The Board place on Companies records her contribution, performance and hard work during her tenure in the Company.

Proposed Appointments/re-appointments:

The following appointments to the Board are proposed:

In accordance with the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Srinivas Potluri, non- executive Directors, retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offered himself for re-appointment.

Mr. Srinivasa Vijay Kumar Appana was appointed as additional Director of the Company with effect from 15.01.2019 by the Board of Director and his appointment is regularise in the ensuring Annual General Meeting. Further, he has also submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as a non-executive Independent Director, who shall hold office for five (5) consecutive years commencing from 15.01.2019, not liable to retire by rotation.

On the recommendation of Nomination and Remuneration cum Compensation Committee and Board of Directors of the Company and pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Mr. Niranjan Chintam is proposed to be re-appointed as Whole Time Director, Mr. Krishna Chintam is proposed to be re-appointed as Managing Director and Mr. Karanjit Singh is proposed to be re-appointed as Whole Time Director for a period of 3 years respectively.

On the recommendation of the Nomination and Remuneration cum Compensation Committee and Board of Directors of the Company and pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, it is proposed to re-appoint Mr. Brijmohan Venkata Mandala as non-executive Independent Director on the Board of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, who shall hold office for five (5) consecutive years commencing from 22.12.2019, not liable to retire by rotation.



Appropriate resolutions for the appointment/ re-appointment of Directors are being placed before the Members for their approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their appointment/reappointment as Directors of your Company.

Number of meetings of the Board of Directors:

During the year under review, the Board duly met 17 (Seventeen) times on 23.04.2018, 22.05.2018, 29.05.2018, 30.05.2018, 15.06.2018, 06.07.2018, 03.08.2018, 14.08.2018, 04.09.2018, 14.11.2018, 23.11.2018, 07.12.2018, 18.12.2018, 03.01.2019, 15.01.2019, 14.02.2019 and 26.03.2019 during the year ended on 31st March, 2019. The gap between any two Board Meetings is within the period prescribed by the Companies Act, 2013 and Listing Agreement and proceedings were properly recorded and signed in the Minute Book maintained for the purpose. For further details, please refer Corporate Governance Report.

10. DECLARATIONS BY INDEPENDENT DIRECTORS:

The Company has received declarations from the Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirement), 2015. A meeting of the Independent Directors was held on January 22nd, 2019, Tuesday, which was attended by the Independent Directors.

11. BOARD EVALUATION AND ASSESSMENT:

The Company believes formal evaluation of the Board and of the Individual Directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the Company, evaluation provides an ongoing means for Directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in ;

- a. More effective board process
- b. Better collaboration and communication
- c. Greater clarity with regard to members roles and responsibilities
- d. Improved chairman – managing directors and board relations

The evaluation process covers the following aspects

- Self evaluation of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the non executive directors to the chairman
- Feedback on management support to the board.

12. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company shall through its Senior Managerial personnel familiarise the Independent Directors with the strategy, operations and functions of the Company. The Independent Directors will also be familiarised with



their roles, rights and responsibilities and orientation on Statutory Compliances as a Board Member.

On appointment of the Independent Directors, they will be asked to get familiarised about the Company's operations and businesses. An Interaction with the key executives of the Company is also facilitated to make them more familiar with the operations carried by the company. Detailed presentations on the business of the company are also made to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarize him/her about the Company/its businesses and the group practices as the case may be and link is available at the website www.kelltontech.com.

13. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings during the Financial Year under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134 (3) and (5) of the Companies Act 2013, with respect to Directors' Responsibility Statement, your board of directors to the best of their knowledge and ability confirm that:

- a. In the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed and there are no material departures.
- b. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c. They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. They have prepared the annual accounts of the Company on a going concern basis.
- e. They have laid down Internal financial controls, which are adequate and are operating effectively.
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively;

15. CONSTITUTION AND COMPOSITION OF AUDIT COMMITTEE:

The Audit Committee of the company is duly constituted as per section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Composition and Scope of Audit Committee is provided under the Corporate Governance report annexed herewith.



16. NOMINATION AND REMUNERATION CUM COMPENSATION COMMITTEE:

Nomination and Remuneration cum Compensation Committee meets the requirements of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details of the composition of the Nomination and Remuneration cum Compensation Committee as required under the provisions of Section 178 of the Companies Act, 2013 is given in the Corporate Governance Report furnished as part of the Annual Report.

17. REMUNERATION POLICY:

The remuneration paid to the Directors is as per the terms laid out in the Nomination & Remuneration policy of the Company. The Nomination & Remuneration policy is adopted by the Board is placed on the Company's website at www.kelltontech.com.

18. CORPORATE GOVERNANCE:

In pursuance of Regulation 17 to 27 read with Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, entered into with the Stock Exchanges, a separate Report on Corporate Governance is annexed and forms part of this Report '**Annexure – IV**'. Your Company will continue to adhere in letter and spirit to good corporate governance policies.

19. MANAGEMENT DISCUSSION & ANALYSIS:

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this report.

20. SUBSIDIARY COMPANIES:

Following are the Subsidiary and Step-down subsidiaries of the Company:

Name of the Entity	Status
Kellton Dbydx Software Private Limited	Wholly Owned Subsidiary
Kellton Tech Inc	Wholly Owned Subsidiary
Kellton Tech Solutions Inc	Wholly Owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly Owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Supremesoft Global Inc (Sold out)	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Vivos Professionals LLC	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Inc)
Prosoft Technology Group Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)



Cyberworld Solutions Inc	Step Down Subsidiary (Wholly owned subsidiary of Prosoft Technology Group)
IntelligenceInc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Kellton Tech (UK) Limited	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Limited)
Lenmar Consulting Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
SID Computer Group Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Talent Parents Inc	Step Down Subsidiary (Wholly owned subsidiary of Kellton Tech Solutions Inc)
Planet Pro Inc	Step Down Subsidiary (wholly owned subsidiary of Kellton Tech Inc)
Planetpro Canada Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Planetpro Asia Pte Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)

During the year under review, Kellton Tech Limited (Ireland), wholly owned subsidiary of your Company has acquired Tivix Europe SP Z O O, this acquisition strengthens Kellton's customer experience and design lead solutions, enterprise innovation engineering offerings, as well as a near shore development centre in Europe with its presence in Poland. It's now step down subsidiary of your Company and the deal is completed as on April 01, 2019 and has been intimated to the Exchanges.

Further, Supremesoft Global Inc. which is subsidiary of Kellton Tech Inc and step down subsidiary of your Company has been sold out and sale of staffing business of Supermesoft Global Inc. has been completed and also intimated to the Exchanges.

21. CONSOLIDATION OF ACCOUNTS:

The Consolidated Financial Statements of the Company and its Subsidiaries ("the Group") for the year ended March 31, 2019 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

A statement containing brief financial details of the subsidiaries for the financial year ended March 31, 2019 is annexed. The annual accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the subsidiaries will also be available for inspection, as above, at registered office of the respective subsidiary companies.



22. STATUTORY AUDITORS :

M/s. PARY & Co, Chartered Accountants, Hyderabad was appointment as Statutory Auditors of the Company in the 24th Annual General Meeting held on September 28, 2018 for a period of one year, which ends at the conclusion of this ensuring Annual General Meeting.

M/s. PARY & Co, Chartered Accountant have confirmed that they satisfy the independence criteria required and eligibility under Section 139(1) of the Companies Act, 2013 and Code of Conduct issued by Institute of Chartered Accountants of India.

The Audit Committee and the Board recommends the appointment of M/s. PARY & Co, Chartered Accountants as Statutory Auditors of the Company as set out in the notice.

23. MANAGEMENT REPLIES TO AUDITORS REPORT – STANDALONE AND CONSOLIDATED FINANCIAL REPORTS:

There are no major qualifications mentioned by the Auditors in the Auditors Report. Thus, company have no replies.

Reporting of Fraud

During the year under review, neither the statutory auditors nor the secretarial auditors has reported to the audit committee, under section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

24. BUSINESS RESPONSIBILITY REPORT (BRR):

The Listing Regulations, 2015 mandate the inclusion of BRR as part of the Annual Report for the top 500 listed entities based on their market capitalization on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. In view of the requirements specified, the Company is not mandated for the providing the BRR and hence do not form part of this Report.

25. CORPORATE SOCIAL RESPONSIBILITY:

Kellton Tech believes in balancing growth priorities with social responsibility. Indeed, even in its commercial undertakings, it attaches special weightage to those projects concerning the welfare of masses. With healthcare, child education and destitute care as its focus areas, Kellton Tech has contributed to its bit to the society through various initiatives in these arenas. Kellton Tech is providing scholarship to the needy, deserving students for further education.

In collaboration with Aashritha Samaj, it has sponsored the education of many children with single parent. In healthcare, it has worked closely with NGO's and donated a generous amount towards disease-eradication by educating people on prevention.

Through REACH OUT initiative, the employees of Hyderabad and Gurgaon office helped patients of local hospitals by providing essentials for infants and babies and nourishing edibles to other patients. This has



been an ongoing commitment of the Company and by dint of their efforts they have been able to make some lives happier and filled with warmth. A Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended to this annual report as '**Annexure – VII**' and link to the CSR policy is available at the website www.kelltontech.com.

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

Details of loans and guarantees given and investments made under Section 186 of the Act are provided in the Notes to the Financial Statements.

27. COST AUDIT REPORT:

The provisions of Section 148 of the Companies Act, 2013 does not apply to the Company and hence, no cost auditors are appointed.

28. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the Company is required to obtain Secretarial Audit Report from Practising Company Secretary. Mr. NVSS Suryanarayana Rao, Practising Company Secretary was appointed to issue Secretarial Audit Report for the financial year 2018-19.

Secretarial Audit Report issued by Mr. NVSS Suryanarayana Rao, Practising Company Secretary in Form MR-3 for the financial year 2018-19 forms part to this report as '**Annexure – V**'.

Management responses to observations in Secretarial Audit Report:

The following are the responses of the management against the observations made by the Secretarial Auditor:

Sr. No.	Observations	Management replies/ response
1.	Company did not intimate to the stock exchange with respect to issuance of duplicate share certificates for 1000 Equity shares	The Board has taken the observation on record and started intimating to the stock exchanges on the same from the financial year 19-20.
2.	Company has delayed the payment of Employee Provident Fund for 3 days for the month of June	The payment has been made to the PF department with interest and late fees. Management shall take due care in making payment within stipulated time.



<p>3. The company has published the items set out under sub regulation (1) of regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the newspapers. However, the newspaper publications have not been hosted on the website of listed entity.</p>	<p>The Board has taken the observation on record and started hosting the newspaper publications on the website.</p>
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As required under the provisions of SEBI LODR Regulations, a certificate confirming that none of the Directors on the Board have been debarred or disqualified by the Board/Ministry of Corporate Affairs or any such statutory authority obtained from M/s. NVSS Suryanarayana Rao., Practicing Company Secretaries is a part of the Corporate Governance report.

29. WHISTLE BLOWER POLICY/VIGIL MECHANISM:

Pursuant to the provisions of section 177 of the companies act, 2013 and the rules framed there under and pursuant to the applicable provision of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company viz. www.kelltontech.com.

30. RISK MANAGEMENT POLICY:

The Board of Directors has formed a Risk Management Committee to identify, evaluate, mitigate and monitor the risks associated with the business carried by the Company. The Committee reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals. As per Regulation 21 of SEBI (Listing Obligations and Disclosure Regulation), 2015, this committee is applicable to top 500 listed entities, determined on the basis of market capitalisation. Since the Company doesn't falls under the list of top 500 listed entities, this committee is not mandatory. It's voluntary act of the Board in-order to be cautious about any risk factor and its impact which effect the performance of the Company, therefore, the Company has in place this committee.

31. POLICY ON SEXUAL HARASSMENT:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company also has in place duly constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints reported by women. The constitution of the ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external members from NGOs or with relevant experience. Investigation is conducted and decisions made by the ICC at the respective location, and a senior women employee is the presiding officer over every case. Majority of the total members of the ICC are women.

During the financial year ended March 31, 2019, the Company has not received any complaints pertaining to Sexual Harassment.



32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All the related party transactions that were entered during the financial years were in the ordinary course of business of the Company and were on arm length basis. There were no materially significant related party transactions entered by the Company during the year with the promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company.

The policy on related party transactions as approved by Audit Committee and the Board of Directors is hosted on the website of the company viz. www.kelltontech.com

Particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto shall be disclosed in **Form No. AOC-2** as '**Annexure - II**' to this report.

33. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material order has been passed by the regulators or courts, tribunals impacting the going concern status and Company's operations in future.

34. PUBLIC DEPOSITS:

Your Company has not accepted any deposits from the public. As such, there was no principal or interest outstanding as on the date of the Balance Sheet.

35. MATERIAL SUBSIDIARY POLICY:

The Company has adopted a policy for determining material subsidiary, in line with the requirements of the Listing Agreement. The Policy on Material Subsidiary is available on the website of the Company at www.kelltontech.com

36. PARTICULARS OF EMPLOYEES:

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as '**Annexure - III**' to this Report.

In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company.

Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in '**Annexure - III**' and forms part of this Report.



37. EXTRACT OF THE ANNUAL RETURN:

In accordance with Section 134 (3) (a) of the Act, an extract of the Annual Return in the prescribed format is appended as “**Annexure - VI**” to this Report.

38. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Conservation of Energy which is not furnished as the relative rule is not applicable to your Company. There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

Foreign Exchange Earnings and Outgo:

In accordance with the provisions of Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is provided under Notes 34 (ii-a) to the Financial Statement for the year.

39. INTERNAL AUDIT & CONTROLS:

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly. The internal control is supplemented by an extensive program of internal audits, review by management and procedures. It is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets. The Company's Internal Audit Department is regularly carrying out the Audit in all areas. Normal foreseeable risks of the Company's Assets are adequately covered by comprehensive insurances.

40. INTERNAL FINANCIAL CONTROL SYSTEMS:

The Company has adequate Internal Financial Controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. It has a comprehensive budgetary control system to monitor revenue and expenditure against approved budget on an ongoing basis.

41. INDUSTRIAL RELATIONS:

The Company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.



42. HUMAN RESOURCES:

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement

43. ACKNOWLEDGEMENTS:

We thank our customers, vendors, investors, bankers, employee volunteers, etc. for their continued support during the year. We placed on record our appreciations of the employee of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the government of various countries where we have our operations. We wish to express our appreciation of the support and co-operation of the Central and the State Government, bankers, financial institutions, business associates, employees, shareholders, customers, suppliers and alliance partners and seek their continued patronage in future as well.

For and on behalf of the Board of
KelltonTech Solutions Limited

Sd/-

Krishna Chintam
Managing Director
DIN: 01658145

Sd/-

Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 03/09/2019



Details of the Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. Appana Srinivasa Vijaya Kumar
Date of Birth	21.12.1966
Date of Appointment	15.01.2019
Qualification	He holds a bachelor's degree in Electronics and Communication from Osmania University.
Expertise in specific functional areas	A S Vijay Kumar has over 27 years of experience as a Senior Management and Technology Professional. His core competency is in implementing IT Services in the Manufacturing, Information Technology, Energy and Government sector. He is an experienced professional and has made contributions in setting up sales, support, installation and implementation of services and solutions for organizations like Blue Star Limited, Satcom Technologies and is also acts as a consultant for the public sector on the Digital India initiative undertaken by the Government of India.
List of other companies in which directorship is held as on March 31, 2019*	<ul style="list-style-type: none"> Satcom Technologies Private Limited
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2019*	Nil
Equity Shares held in the Company	0
Relationship between Directors inter-se	Nil

Name of Director	Mr. Niranjan Chintam
Date of Birth	29.06.1967
Date of Appointment	01.11.2015
Qualification	Graduated from Wharton Business school with an MBA. Holds an Engineering Degree in India.
Expertise in specific functional areas	<p>Niranjan spearheaded the expansion drive of Kellton Tech and oversaw a series of acquisitions and capacity building measures that put Kellton Tech on the Global IT map.</p> <p>Under his leadership, Kellton Tech became around 1000 member strong organization and earned a place in top 50 fastest growing IT companies in India.</p> <p>With over two decades of global diversified experience, Niranjan lived and worked on the three continents and in eight countries, managing globally dispersed teams. He created and implemented strategies for Fortune 500 companies and government agencies in the US and India.</p>
List of other companies in which directorship is held as on March 31, 2019*	<ul style="list-style-type: none"> Kellton Securities Private Limited Kellton Commodity And Derivatives Private Limited Kellton Dbydx Software Private Limited Kellton Financial Services Private Limited
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2019*	Nil
Equity Shares held in the Company	0



Relationship between Directors inter-se	Brother to Mr. Krishna Chintam.
Name of Director	Mr. Krishna Chintam
Date of Birth	01.02.1969
Date of Appointment	09.04.2015
Qualification	Graduated from Andhra University with a with a Bachelor's in Electrical and Electronics Engineering. He Holds a Master's Degree in Electrical Engineering from Virginia Tech, Virginia, US. He pursued MBA from Kellogg School of Business, Northwestern University, Chicago.
Expertise in specific functional areas	<p>Krishna was jointly instrumental in orchestrating Kellton Tech's acquisition strategy that fuelled its inorganic growth and over-saw the organic strengthening of the organization.</p> <p>Krishna is a seasoned serial entrepreneur with over two decades of experience in information technology, marketing, finance, strategy and operational management. He is also a key member in the governing and advisory boards of several Organizations in the finance, technology and security domain.</p> <p>His Boundless entrepreneurial spirit and innate people skills helped him establish and nurture a series of businesses that were later acquired by global Organizations. Under his leadership, these companies' tentacles reached far and wide, and from locally operated Organizations spread across the world. His business acumen also extends to the industries telecom, consulting, federal, and bioinformatics.</p>
List of other companies in which directorship is held as on March 31, 2019*	<ul style="list-style-type: none"> • Kellton Securities Private Limited • Kellton Commodity And Derivatives Private Limited • Kellton Dbydx Software Private Limited • Kellton Financial Services Private Limited • Avid Software Solutions (India) Private Limited
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2019*	Nil
Equity Shares held in the Company	11,42,286
Relationship between Directors inter-se	Brother to Mr. Niranjn Chintam.

Name of Director	Mr. Karanjit Singh
Date of Birth	17.12.1968
Date of Appointment	30.03.2015
Qualification	Graduated from prestigious National Institution of Industrial Engineering, Mumbai, India with a Master's degree in Industrial Engineering. Holds a Bachelor's degree in Electrical and Electronic Engineering.



Expertise in specific functional areas	<p>Karanjit leads the company's focus on cutting –edge technologies to provide new business offerings.</p> <p>Under his leadership, the company expanded its product and service portfolio and developed innovative solutions that earned it global appreciation.</p> <p>Karanjit holds more than 27 years of experience of working with large enterprises and SMEs on both Enterprise and consumer Internet applications. Prior to joining Kellton Tech, Karanjit had a very successful stint as a director of product development with JDA software</p>
List of other companies in which directorship is held as on March 31, 2019*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2019*	Nil
Equity Shares held in the Company	3,73,490
Relationship between Directors inter-se	Nil

Name of Director	Mr. Brijmohan Venkata Mandala
Date of Birth	23.12.1966
Date of Appointment	22.12.2014
Qualification	He has a Master's degree in Computer Engineering from ODU, Virginia and a B.Tech degree from Siddhartha Engineering College, Andhra Pradesh.
Expertise in specific functional areas	<p>Brijmohan Mandala has over 30 years of experience as Senior Management and Technology expert. His Core competencies include Entrepreneurship, Healthcare, IT Solutions and E-Governance.</p> <p>He Started his career as research assistant on a NASA sponsored project and later worked on multiple Oracle projects in the US and India.</p> <p>Currently he is the CEO of Anion Healthcare Services, a company that is focused on Healthcare BPO operations. He is also an independent director of KelltonTech Solutions Limited, a listed Software Services company into the SMAC, Digital and IoT space.</p>
List of other companies in which directorship is held as on March 31, 2019*	<ul style="list-style-type: none"> • Inventcorp Technologies Limited • Kellton Dbydx Software Private Limited • Avid Software Solutions (India) Privatelimited • Freedom Ehealth Management Privatelimited • E Vaidya Private Limited
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2019*	Nil
Equity Shares held in the Company	2,00,000
Relationship between Directors inter-se	Nil



Name of Director	Mr. Srinivas Potluri
Date of Birth	10.09.1965
Date of Appointment	31.12.2009
Qualification	Graduated from Mumbai University with a Bachelor's in Environmental Engineering. He holds a Master's in Environmental Engineering from Virginia Polytechnic Institute and State University, Virginia, US. He pursued MBA from Kellogg School of Management, US.
Expertise in specific functional areas	<p>Srinivas leads Kellton Tech's US operations and provides direction to the regional business while aligning it to global objective.</p> <p>Srinivas has over 29 years of global experience in engineering and technology services with a special focus on systems integration and large system deployments. His diverse experience includes automotive, financial, healthcare, Telecommunications and Commodities industries.</p> <p>Prior to joining Kellton Tech, Srinivas worked at Parsons, Prince Waterhouse Coopers(PwC) and France Telecom. He was involved in various projects for the Department of Treasury, EPA and state public departments at Parsons. At, PwC, he was a management consultant focused on addressing the IT needs of Fortune 500 clients such as GM, Keebler, Warnaco, and Tetra-Pak. In the financial Sector, Srinivas has consulted with Citizens Bank to set up their Online Banking System. With France Telecom, he developed, managed and maintained their business service Systems and was instrumental in setting up a captive to transfer IT operations from centres around the world to India.</p>
List of other companies in which directorship is held as on March 31, 2019*	Nil
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2019*	Nil
Equity Shares held in the Company	3,33,332
Relationship between Directors inter-se	Nil

**Directorships and Committee memberships in Kellton Tech Solutions Limited and its committees are not included in the aforesaid disclosure. Also directorships in Foreign Companies and Section 8 Companies and their Committee memberships are excluded. Memberships and chairmanship of Audit Committees, Nomination and Remuneration Committee and Stakeholder's relationship Committees of only Public companies have been included in the aforesaid tables.*



CERTIFICATE BY CEO AND CFO

We, Karanjit Singh, Chief Executive Officer and Niranjn Chintam, Chief Financial Officer of Kellton Tech Solutions Limited certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

i) Significant changes in internal control over financial reporting during the year;

ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Kellton Tech Solutions Limited**

Sd/-

Karanjit Singh

Chief Executive Officer

DIN: 06898258

Sd/-

Niranjn Chintam

Chief Financial Officer

DIN: 01658591

Place : Hyderabad

Date : 03/09/2019



FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S No.	Particulars	Details		
1.	Name of the subsidiary	Kellton Dbydx Software Private Limited	Kellton Tech Inc.	Kellton Tech Solutions Inc.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 01, 2018 to March 31, 2019	January 01, 2018 to December 31, 2018	January 01, 2018 to December 31, 2018
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency: INR Exchange Rate: NA	Reporting Currency: Dollar Exchange Rate: 69.79	Reporting Currency: Dollar Exchange Rate: 69.79
4.	Share capital	8,323,765	19,28,29,770	54,83,60,897
5.	Reserves & surplus	5,41,64,321	53,02,80,821	52,06,35,703
6.	Total assets	7,75,18,847	1,98,87,30,466	2,47,67,31,039
7.	Total Liabilities	7,75,18,847	1,26,56,19,876	1,40,77,34,439
8.	Investments	Nil	Nil	Nil
9.	Turnover	5,37,45,215	2,41,28,86,659	3,54,43,04,621
10.	Profit before taxation	3,77,61,685	18,95,82,581	22,98,40,244
11.	Provision for taxation	55,62,836	5,53,98,046	5,65,52,303
12.	Profit after taxation	3,21,98,949	13,41,84,535	17,32,87,942
13.	Proposed Dividend	Nil	Nil	Nil
14.	% of shareholding	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year : Supremesoft Global Inc



Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Not Applicable
Latest audited Balance Sheet Date	
Shares of Associate/Joint Ventures held by the company on the year end	
No.	
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	
Description of how there is significant influence	
Reason why the associate/joint venture is not consolidated	
Net worth attributable to shareholding as per latest Audited Balance Sheet	
Profit/Loss for the year i) Considered in Consolidation ii) Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations : Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year : Nil



FORM AOC-2

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis:

There was no such contract or arrangement or transaction entered during the year ended 31.03.2019 which was not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Prosoft Technology Group Inc. Step-down Subsidiary	Sale of services	16,37,55,575	Amount as per monthly invoice raised based on transfer pricing guidelines	27.04.2015	-
Kellton Tech Limited Wholly Owned Subsidiary	Sale of services	3,31,22,391	Amount as per monthly invoice raised based on transfer pricing guidelines	24.04.2017	-
Lenmar Consulting Inc Step-down Subsidiary	Sale of services	1,08,08,704	Amount as per monthly invoice raised based on transfer pricing guidelines	24.04.2017	-
Sreevidya Chintam & Niranjana Chintam Relative of Key Managerial Personnel	Rent paid for office building	1,65,37,500	Rent on monthly basis as per lease deed	30.06.2014	

By the order of the Board
For **KELLTON TECH SOLUTIONS LIMITED**

Sd/-
Krishna Chintam
Managing Director
DIN : 01658145

Sd/-
Niranjana Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 03/09/2019



STATEMENT OF PARTICULARS AS PER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

PART-A

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2018-19:

S.No	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Niranjan Chintam	5.78
2.	Mr. Krishna Chintam	5.78
3.	Mr. Karan Jit Singh	10.06
4.	Mr. Srinivasa Vijay Kumar Appana	Nil
5.	Mr. Brijmohan Venkata Mandala	Nil
6.	Mr. Srinivas Potluri	Nil
7.	Mr. P V V Srinivasa Rao	Nil
8.	Ms. Kunda Kalpana	Nil

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year

1.	Mr. Niranjan Chintam	Nil
2.	Mr. Krishna Chintam	Nil
3.	Mr. Karan Jit Singh	Nil
4.	Mr. Srinivasa Vijay Kumar Appana	Nil
5.	Mr. Brijmohan Venkata Mandala	Nil
6.	Mr. Srinivas Potluri	Nil
7.	Mr. P V V Srinivasa Rao	Nil
8.	Ms. Kunda Kalpana	Nil
9.	Mr. Ahsan Ali Hussain Ajani	Nil

(iii) The number of permanent employees on the rolls of Company : 1376

(iv) In the Financial Year 2018-19, there was an increase of -0.42% in the median Remuneration of employees.

(v) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(vi) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 7%

(vii) The Remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.



PART-B

Information under Section 197 (12) of the Companies Act, 2013 read with the rule 5(2) Companies (Appointment and remuneration of managerial personnel) Rules, 2014 and forming part of Directors Report for the year ended March 31, 2019

1) Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration aggregating Rs 1,00,00,000 or more

Name of the Employee	Designation	Remuneration (in Rs)	Qualification	Experience (years)	Date of end of Employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Nil								

2) Names of top 10 Employees Employed throughout the Financial Year and in receipt of remuneration for a part of that year, at a rate which, in aggregate, was not less than Rs. 8,50,000 per month

Name of the Employee	Designation	Remuneration (in Rs)	Qualification	Experience (years)	Date of end of Employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Nil								

3) Employee employed throughout the financial year or the part thereof, was in receipt of remuneration that year which, in the aggregate, or the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company: Nil

By the order of the Board
For **Kellton Tech Solutions Limited**

Sd/-
Krishna Chintam
Managing Director
DIN : 01658145

Sd/-
Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 03/09/2019



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Kellton Tech Solutions Limited strives to deliver state of the art enterprise IT Solutions. It is committed to achieve transparency and accountability by complying with Industry Standards and establishing healthy relationship with our stakeholders. We believe in following best practices to achieve sustainable company growth and exceed our stakeholder's expectations.

2. BOARD OF DIRECTORS

The Board of Directors of the Company currently consists of Eight Directors. The Company has an Executive Chairman. The Executive Chairman and the Managing Director manage the day-to-day affairs of the Company. The Board has an optimum combination of Executive and Non-Executive directors.

a) Composition and Category of directors as on March 31, 2019:

Category	No. of Directors
Promoter Executive Directors	2 (Two)
Non-promoter Executive Director	1(One)
Non Executive Director Non- Independent Director	1(One)
Non-Executive Independent Directors	4 (Four)
Total	8 (Eight)

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Director	Category
Mr. Niranjan Chintam	Chairman & Whole-Time Director (Promoter, Executive)
Mr. Krishna Chintam	Managing Director (Promoter, Executive)
Mr. Srinivasa Vijay Kumar Appana	Director (Independent, Non-Executive)
Mr. Brijmohan Venkata Mandala	Director (Independent, Non-Executive)
Mr. Karan Jit Singh	Whole Time Director (Executive)
Mr. Srinivas Potluri	Director (Non-Independent, Non-Executive)
Mr. P V V Srinivasa Rao	Director (Independent, Non-Executive)
Ms. Kunda Kalpana	Director (Independent, Non-Executive)

* During the year under review, Mr. Rajendra Vithal Naiwedakar had submitted his resignation from the member of the Board and which was duly accepted by the Board. Further, in his place Mr. Srinivasa Vijay Kumar Appana has been appointed as Non - Executive Independent Director on the Board of the Company.



b) Attendance of each director at the Board meetings held during the year 2018-19 and at the last Annual General Meeting:

Name of the Director	Held during tenure	Attended	AGM Sept 28, 2018
Mr. Niranjana Chintam	17	17	Yes
Mr. Krishna Chintam	17	15	No
Mr. Brijmohan Venkata Mandala	17	17	Yes
Mr. Srinivas Potluri	17	14	No
Mr. Karanjit Singh	17	17	Yes
Mr. P V V Srinivasa Rao	17	01	No
Ms. Kunda Kalpana	17	04	No
Mr. Rajendra Vithal Naniwadekar ⁽¹⁾	10	09	No
Mr. Srinivasa Vijay Kumar Appana ⁽²⁾	02	02	No

(1) Resigned as independent director effective date November 14, 2018

(2) Appointed as independent director effective date January 15, 2019

c) No. of other Boards/Board Committees in which the Directors are either Member or Chairman as at March 31, 2019:

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. Niranjana Chintam	None	None	None	None
Mr. Krishna Chintam	None	None	None	None
Mr. Srinivasa Vijay Kumar Appana	None	None	None	None
Mr. Brijmohan Venkata Mandala	None	None	None	None
Mr. Srinivas Potluri	None	None	None	None
Mr. Karanjit Singh	None	None	None	None
Ms. Kunda Kalpana	None	2	None	2
Mr. P V V Srinivasa Rao	None	None	None	None

**excludes directorship and membership in Kellton Tech solutions Limited, private companies, foreign companies and membership in other committees, except Audit Committee and Stakeholders Relationship Committee.*



d) No. of Board Meetings held and dates on which they were held during the year 2018-19:

Quarter	Number of Meetings	Date on which meeting held
1st Quarter	Five	23.04.2018; 22.05.2018; 29.05.2018; 30.05.2018; 15.06.2018
2nd Quarter	Four	06.07.2018; 03.08.2018; 14.08.2018; 04.09.2018
3rd Quarter	Four	14.11.2018; 23.11.2018; 07.12.2018; 18.12.2018
4th Quarter	Four	03.01.2019; 15.01.2019; 14.02.2019; 26.03.2019

e) Disclosure of relationships between directors inter-se:

Directors of the company are not related to each other and are independent, except Mr. Niranjan Chintam and Mr. Krishna Chintam, who are related as Brothers.

f) Number of shares and convertible instruments held by non-executive director

S.No	Name of the Director	No. of Shares	No. of Convertible Instruments
1.	Brijmohan Venkata Mandala	2,00,000	--
2.	Srinivas Potluri	3,33,332	--
3.	PVV Srinivasa Rao	Nil	--
4.	Kunda Kalpana	Nil	--
5.	Srinivasa Vijay Kumar Appana	Nil	--

g) Web link:

The Independent Directors fulfill the criteria of independence as given in Regulation 16(b) of SEBI (LODR) Regulations, 2015 & the Companies Act, 2013 and have given declaration of independence, <http://www.kelltontech.com>, website of the company, where details of familiarization programs imparted to independent directors are disclosed.

Independent Directors Meeting

A meeting of the Independent Directors was held on January 22nd, 2019, Tuesday, which was attended by the Independent Directors. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Board. The Board was briefed on the deliberations made at the Independent Directors Meeting.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees. Struc-



ted questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgment, safeguarding the interest of the Company and other stakeholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. Further, the performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

COMMITTEES OF DIRECTORS

A. AUDIT COMMITTEE

The Audit Committee was constituted in terms of Section 177 of the Companies Act, 2013 and as per the provisions of Regulation 18 of SEBI (LODR) Regulations, 2015. The Audit Committee consists of a combination of Non Executive Director and Non Executive Independent Directors and assists the Board in fulfilling its overall responsibilities. The Company Secretary acts as the Secretary of the Committee. All the Members of the Audit Committee have the requisite qualification for appointment on the Committee and they also possess sound knowledge of Finance and accounting practices and have related management expertise by virtue of their experience and background.

i) Brief description of terms of reference

The terms of reference of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;



9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Vigil mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and as per the role of committee specified under Part C of Schedule II.

Explanation (i) : The term “related party transactions” shall have the same meaning as provided in Regulation 23 of SEBI (LODR) Regulations, 2015.

ii) Composition, name of members and Chairperson:

The Audit Committee comprises of the following directors

Name of the Member	Status	Nature of Directorship
Brijmohan Venkata Mandala	Chairman	Independent, Non-Executive
Srinivasa Vijay Kumar Appana	Member	Independent, Non-Executive
Niranjan Chintam	Member	Whole Time Director, Executive

iii) Meetings and attendance during the year 2018-19:

Name of the Member	Meetings held during the year	Meetings attended
Rajendra Vithal Naniwadekar ⁽¹⁾	03	03
Brijmohan Venkata Mandala	04	04
Srinivasa Vijay Kumar Appana ⁽²⁾	01	01
Niranjan Chintam	04	04

(1) Ceased to be member of the committee effective date November 14, 2018

(2) Appointed as independent director effective date January 15, 2019



B. NOMINATION AND REMUNERATION CUM COMPENSATION COMMITTEE

a. Brief description of terms of reference

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity
7. To develop a succession plan for the Board and to regularly review the plan;

b. Composition, name of members and Chairperson

The Nomination and Remuneration Committee comprises of the following directors

Name of the Director	Status	Nature of Directorship
Srinivasa Vijay Kumar Appana	Chairman	Independent, Non-Executive
Brijmohan Venkata Mandala	Member	Independent, Non-Executive
Srinivas Potluri	Member	Non-Independent, Non-Executive
Niranjan Chintam	Member	Whole Time Director, Executive

c. Meetings and Attendance during the year 2018-19

Name of the Member	Meetings held during the year	Meetings attended
Srinivasa Vijay Kumar Appana ⁽²⁾	01	01
Brijmohan Venkata Mandala	02	02
Srinivas Potluri	01	01
Rajendra Vithal Naniwadekar ⁽¹⁾	00	00
Niranjan Chintam	00	00

(1) Ceased to be member of the committee effective date November 14, 2018

(2) Appointed as independent director effective date January 15, 2019

d. Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation program, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.



e. Details of remuneration to the directors

(Rs. in Lakhs)

Particulars	Executive Directors			Non-executive				
	Mr. Niranjan Chintam	Mr. Krishna Chintam	Mr. Karanjit Singh	Mr. Srinivas Potluri	Independent Directors			
					*Mr. Srinivasa Vijay Kumar Appana	Mr. Brijmohan Venkata Mandala	Mr. P. V. V. Srinivasa Rao	Ms. Kunda Kalpana
Salary	30.00	30.00	54.71	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
PF Contribution	Nil	Nil	0.21	Nil	Nil	Nil	Nil	Nil
Sitting fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.80
Total	30.00	30.00	54.92	Nil	Nil	Nil	Nil	0.80

*Appointed as independent director effective date January 15, 2019

The performance incentive/commission is determined based on certain pre-agreed performance parameters.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has a Stakeholders Relationship Committee (SRC) of Directors to look into the Redressal of complaints of investors such as transfer or credit of shares, non receipt of dividend/notices/annual reports, etc.

a. Constitution and Composition of the Stakeholders' Relationship Committee*

Name of the Director	Status	Nature of Directorship
Brijmohan Venkata Mandala	Chairman	Independent, Non-Executive
Srinivasa Vijay Kumar Appana ⁽¹⁾	Member	Independent, Non-Executive
Krishna Reddy Chintam	Member	Managing Director, Executive

(1) Appointed as independent director effective date January 15, 2019

b. Details of Committee meetings held during the year

Name of the Member	Held during tenure	Attended
Brijmohan Venkata Mandala	01	01
Srinivasa Vijay Kumar Appana	-	-
Krishna Reddy Chintam	01	01

Name, designation and address of the Compliance Officer:

Mr. Ahsan Ali Hussain Ajani

Address: Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033

Contact Details: Tel: 040-44333000;



Fax: 040-66660451 & e-mail ID: compliance@kelltontech.com

c. During the year the Company had not received any complaint from the investors.

Sl. No.	Description	Received	Resolved	Pending
1	Non receipt of Electronic Credits	Nil	Nil	Nil
2	Non receipt of Annual Reports	Nil	Nil	Nil
3	Non receipt of Dividend Warrants	Nil	Nil	Nil
4	Non receipt of Refund order	Nil	Nil	Nil
5	SEBI	1	1	Nil
6	Stock Exchanges	Nil	Nil	Nil
	Total	1	1	Nil

4. GENERAL BODY MEETINGS

(i) Location and date / time for last three Annual General Meetings were:

Financial Year	Location of the Meeting	Date and Time	Number of Special Resolutions passed	Details of Special Resolutions
2017-18	Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033	28.09.2018; 11.00 A.M.	03	<ol style="list-style-type: none"> 1. Pledging of shares of subsidiaries for availing loans. 2. Approval for giving loan and corporate guarantee. 3. Further Issuance of securities.
2016-17	Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033	27.09.2017; 11:00 A.M.	04	<ol style="list-style-type: none"> 1. Appointment of Ms. Kunda Kalpana as Director of the Company. 2. Appointment of Ms. Kunda Kalpana as an Independent Director of the Company. 3. Further Issuance of securities. 4. Variation of Employees Stock Option Scheme of the Company.
2015-16	Ebony Boutique Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500033	26.09.2016; 11:00 A.M.	05	<ol style="list-style-type: none"> 1. Re-appointment of Krishna Chintam as Managing Director of the Company. 2. Re-appointment of Niranjana Chintam as Whole-Time Director and Executive Chairman of the Company. 3. Variation of Stock-Option Scheme of the Company. 4. Variation of Employees Stock Option Scheme of the Company for the Employees of the Subsidiaries of the Company. 5. Variation of Terms of Remuneration of Mr. Karanjit Singh.



ii. Extraordinary General Meeting / Postal ballot:

During the F.Y 2018-19 the Company did not have any Extra ordinary General Meeting.

To widen the participation of shareholders in Company decisions, the Securities and Exchange Board of India has directed top 500 listed companies to provide Remote e-voting facility to their shareholders from October, 2012 onwards, in respect of those businesses which are transacted through postal ballot. Further, the Companies Act, 2013 and Regulation 44 of SEBI (LODR) Regulations, 2015 also requires a listed Company to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings.

iii. Whether any special resolution passed last year through postal ballot:

In the financial year 2018-19, the Company had not conducted voting through Postal Ballot.

Further, as per the Companies Act, 2013 and Regulation 44 of SEBI (LODR) Regulations, 2015 Company has to provide remote e-voting facility to its shareholders for participating in the Postal Ballot apart from the facility to send the Ballot paper to the Company.

iv. No Special Resolution is proposed to be passed through a Postal ballot at the ensuing Annual General Meeting.

5. DISCLOSURES

RELATED PARTY DISCLOSURE

Transactions with related parties are disclosed in the Notes to Accounts and all the transactions with related parties are at arms' length and in compliance with transfer pricing regulations. All Related Party Transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and Board of Directors. In terms of the provisions of the Companies Act, 2013 and Listing Agreement entered with the Stock Exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a policy to determine Related Party Transactions. The policy is placed on the Company's website at: <http://www.kelltontech.com>.

i. There are no significant related party transactions with the Company's Promoters, Directors, the Management or relatives that may have potential conflict with the interest of the Company at large. Related party transactions have been disclosed in Notes to the Annual Accounts (Refer Note 36). The Company has framed a Policy on Related Party Transactions and the same is available on website of the Company at <http://www.kelltontech.com>.

Sr. No.	In the accounts of	Amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.		
1	Holding Company	Loans and Advances		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Outstanding at the end of the year : Nil	Nil	Nil



2	Subsidiary	Loans and Advances		
		Subsidiaries	Associates	Companies/firms in which directors are interested
		Nil	Nil	Outstanding at the end of the year : 5,08,66,753

ii. The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI. No other penalty or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

iii. The Company has established a Vigil mechanism to provide an avenue to raise concerns. The mechanism provides for adequate safeguards against victimization of employees who avail of it and also for appointment of an Ombudsperson who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. During the year, no employee was denied access to Chairman of the Audit Committee.

iv. The information on Directors seeking appointment/ re-appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting".

v. The Company has complied with all the mandatory requirements of Compliance with Corporate Governance requirements specified in Regulation 17-27 and clauses (b) to (i) of Sub- regulation(2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015.

vi. Pecuniary transactions with Non-Executive Directors: There were no pecuniary transactions with any of the Non-Executive Directors of the Company.

vii. As required under Schedule V Point E of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, Practicing Company Secretary's certificate regarding compliance of corporate governance is given as an annexure to the Directors' Report.

viii. As required under Schedule V Point D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the declaration issued by the Chief Executive officer is provided in the Annual Report.

6. COMPLIANCE WITH INDIAN ACCOUNTING STANDARDS (IND-AS)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act,2013, ("the Act") and other relevant provisions of the Act.

7. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

Mr. N.V.S.S. Suryanarayana Rao, Practicing Company Secretary, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure 1**.



8. MEANS OF COMMUNICATION

(i) The Company does not send the quarterly results to each household of shareholders. The quarterly, half yearly, and annual results are intimated to the Stock Exchanges on event basis.

(ii) The Company posts all the vital information relating to the Company and its performance / results including the press releases on its web site <http://www.kelltontech.com> for the benefit of the shareholders and public at large.

(iii) Quarterly financial results are published in leading newspapers, viz. The Financial Express in English, and Praja Shakti in vernacular language. The audited results for the financial year are approved by the Board and then communicated to the members through the Annual Report and also published in the newspapers.

(iv) The presentations made to the investors are also uploaded on the website of the company.

(v) SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

(vi) The Management Discussion and Analysis Report is attached and forms part of the Annual Report

(vii) Reconciliation of share capital Audit (Formerly Secretarial Audit Report):

A qualified practicing Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of share capital Audit (Formerly Secretarial Audit Report) confirm that the total issued / Paid-up capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.

(viii) As per the vigil mechanism applicable to the company, there is an ombudsman who is responsible for its implementation.

(ix) A Dash board containing the risks identified if any, will be placed to the audit committee and measures taken by the management will be discussed to mitigate.

9. MEASURES FOR PREVENTION OF INSIDER TRADING

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2016, the company framed a Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information for its directors and designated employees. The code lays down guidelines, which mandates the directors and designated employees on the procedures to be followed and disclosures to be made while dealing with the shares of the company and also appraises the consequences for the violations. Details of the code for prevention of insider trading is available at the company's website viz. <http://www.kelltontech.com>



10. GENERAL SHAREHOLDER' INFORMATION

i. Date, Time & Venue of AGM	Friday, September 27 th , 2019 at 11:00 a.m. At Ebony Holtel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500034	
ii. Financial Year	01 st April, 2018 to 31 st March, 2019	
iii. Listing on Stock Exchanges	Bombay Stock Exchange Ltd (BSE) & National Stock Exchange of India Ltd (NSE)	
iv. Stock Code/Symbol	BSE- 519602 & KELLTONTEC, NSE- KELLTONTEC	
v. Annual Listing fees to Stock Exchanges (NSE/BSE)	Listing fees for the year have been paid to the Stock Exchanges.	
vi. Dividend payment date	Not Applicable	
vii. Registrar and Transfer Agents	M/s XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com	
viii. Share Transfer System	All the transfers received are processed and approved by the Stakeholder Relationship Committee at its meetings or by circular resolutions.	
ix. Distribution of Shareholding	As per attached annexure	
x. Dematerialisation of shares and Liquidity	As on 31 st March, 2019, 95257237 shares representing 98.83% of shareholding have been dematerialised. The balance 1125231 equity shares representing 1.17% were in physical form The Company's shares are compulsorily traded in dematerialized form and are regularly traded on NSE and BSE. The ISIN Number allotted for the Equity shares is INE164B01022	
xi. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity	As on March 31, 2019, there were no outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments of the Company.	
xii. Commodity price risk or foreign exchange risk and hedging activities;	Not Applicable	
xiii. Plant locations/offices;	The Company operates from : Plot No. 270, Udyog Vihar Phase -2, Gurgaon, Haryana- 122016, India AND Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033, Telangana	
xiv. Registered Office/ address for correspondence	Investor correspondence may be addressed to: M/s. XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana Tel: 040 23545913 Fax: 040 23553214 e-mail: mail@xlsoftech.com	For Correspondence to the Company Kellton Tech Solutions Limited Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 , Telangana Tel No - 040-44333030 Email-id: compliance@kellton-tech.com Website: www.kelltontech.com



xv. Market Price Data High, Low during each month in last Financial year

BSE

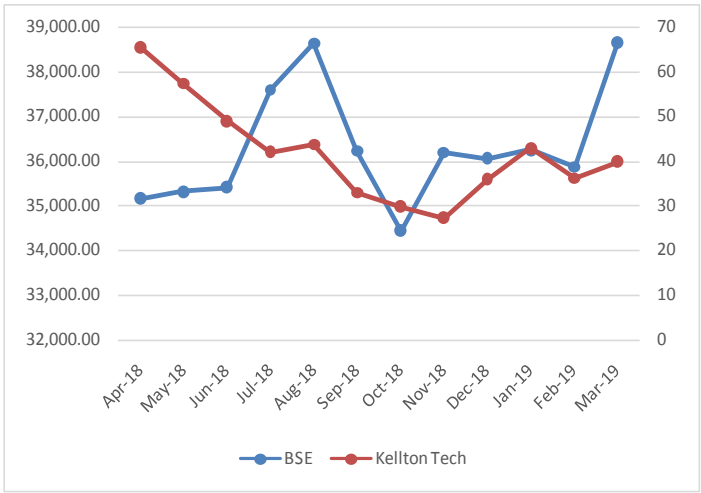
Month	High	Low	Close
April, 2018	84.70	62.15	65.55
May, 2018	66.00	52.45	57.45
June, 2018	59.20	46.35	49.05
July, 2018	51.10	37.40	42.10
August, 2018	54.80	40.50	43.80
September, 2018	46.80	31.35	32.95
October, 2018	40.00	28.00	29.85
November, 2018	33.95	25.75	27.35
December, 2018	36.00	26.60	36.00
January, 2019	51.75	34.45	42.95
February, 2019	44.95	36.00	36.25
March, 2019	41.35	35.10	39.95

NSE

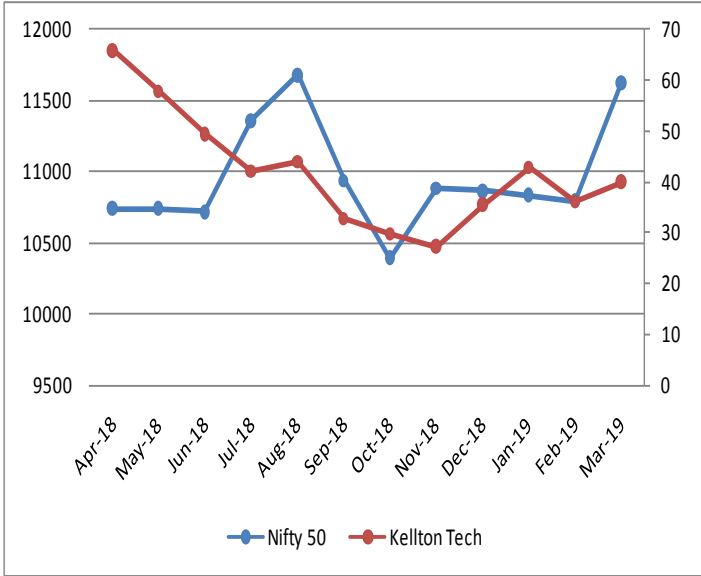
Month	High	Low	Close
April, 2018	69.60	65.20	65.85
May, 2018	63.70	57.25	57.75
June, 2018	49.80	47.90	49.45
July, 2018	42.05	38.40	42.05
August, 2018	44.20	43.00	43.90
September, 2018	35.90	31.35	32.65
October, 2018	30.45	29.40	29.65
November, 2018	27.80	27.00	27.20
December, 2018	35.55	30.00	35.55
January, 2019	43.70	41.80	42.80
February, 2019	37.40	35.80	36.05
March, 2019	40.50	39.00	39.95



Performance in comparison to BSE Sensex



Performance in comparison to NSE Nifty 50



xvi. Performance in comparison to BSE Sensex and S&P CNX Nifty

11. CAPITAL BUILD UP DURING THE FINANCIAL YEAR

During the year under review, the Authorized Share Capital of the Company is Rs.60,00,00,000 (Rupees Sixty Crores) divided into 12,00,00,000 (Twelve Crores), Equity Shares of Rs.5/- (Rupees Five) each. The Paid up Share Capital is Rs. 48,19,12,340 (Rupees Forty Eight Crore Nineteen Lakhs Twelve Thousand Three Hundred and Forty only) divided into 9,63,82,468 (Nine Crore Sixty Three Lakhs Eighty Two Thousand Four Hundred



and Sixty Eight only) Equity Shares of Rs. 5/- (Rupees Five) each. There is no change Authorized & Paid up Share Capital of the Company during the year under review.

12. SHAREHOLDING PATTERN AS ON 31st MARCH, 2019:

Category	No. of shares held	Percentage of shareholding
Promoters	23,94,384	2.48
Promoters Body Corporate	5,59,71,900	58.07
Mutual funds / UTI	2,93,400	0.30
Financial Institutions /Banks	-	-
Foreign Institutional Investors	28,43,507	2.95
Venture Capital Funds	-	-
Bodies Corporate	47,67,483	4.95
Foreign Bodies Corporate	-	-
Retail individuals/NRIs/Trusts / others	3,01,11,974	31.24
Total	9,63,82,468	100

13. COMPLIANCE WITH REGULATION MANDATORY REQUIREMENTS

The Company complied with all the applicable mandatory requirements of the listing agreement and is also submitting a quarterly compliance report duly certified by Compliance Officer of the Company to the stock exchanges within the time frame prescribed under regulations. At present, other non-mandatory requirements have not been adopted by the Company

14. DETAILS OF UNCLAIMED SHARES

The Company is required to open an unclaimed suspense account with a depository participant and transfer all the unclaimed share certificates of members after giving three reminders.

All the voting rights on unclaimed shares shall remain frozen till the rightful owner of such shares claims the shares.

As on March 31, 2019 your Company has 497250 equity shares in the unclaimed suspense account.

S.No	Particulars	Number of shares
1.	Total number of shareholders and the outstanding shares in the suspense account lying as on 01.04.2018	356 members and 533850 shares
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	03
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	03
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31.03.2019	353 members and 497250 shares

**Number of shares in unclaimed suspense account also includes the credit of bonus shares made to the suspense account.*



15. GREEN INITIATIVE FOR PAPERLESS COMMUNICATIONS

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in Corporate Governance” by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders. This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

This move by the Ministry is a welcome move, since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs.

Pursuant to the said circular, the company has forwarded e-mail communication to all share holders whose email id were registered in the Depository records that the company intends to use the said e-mail id to send various Notices/ Correspondences etc .

By Understanding the underlying theme of the above circulars, to support this green initiative of the Government in full measure, the company is sending the documents like notice convening general meetings, financial statements, directors reports, auditor’s report etc to the email address registered with the depositories by the share holders holding shares in electronic form and for shareholders holding shares in physical form, the physical copy to the address registered with the Registrar and Share transfer Agents of the Company.

In this regard, we request share holders who have not registered their email addresses, so far to register their email addresses, in respect of electronic holding with depository through their concerned depository participants and Members who hold shares in physical form are requested to send the required details to the Registrar and Share Transfer Agent, M/s XL Softech Systems Limited, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana.

Depository Services:

For guidance on depository services, Shareholders may write to the Company or to the respective Depositories:

National Securities Depository Ltd.	Central Depository Services (India) Ltd.
Trade World, 4th Floor Kamala Mills Compound Senapati Bapat Marg, Lower Parel, Mumbai-400013. Tel : 09 1-022-24994200 Fax:091-022-24972993/24976351 Email : info@nsdl.co.in	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai - 400023. Tel : 091-022-22723333 Fax : 091-022-22723199 Email: investors@cdslindia.com



16. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A copy of the Code of Conduct applicable for the Board and Senior Management has been placed on the Web site of the company.

Sd/-

Krishna Chintam
Managing Director
DIN: 01658145

Sd/-

Niranjan Chintam
Whole Time Director
DIN: 01658591

Place : Hyderabad
Date : 03/09/2019



CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to clause (i) of Point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have examined the following documents:

1. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act')
2. Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')

As submitted by the Directors of Kellton Tech Solutions Limited ('the Company') bearing CIN: L72200T-G1993PLC016819 and having its registered office at Plot No 1367, Road No- 45 Jubilee Hills Hyderabad 500033, to the Board of Directors of the Company ('the Board') for the Financial Year 2018-19. We have considered non-disqualification to include non debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Based on our examination of relevant documents made available to us by the Company and such other verifications carried out by us as deemed necessary and to the extent possible, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this Certificate, none of the Directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

Sr. No	Name of Director	Director Identification Number (DIN)
1.	Krishna Chintam Reddy	01658145
2.	Niranjan Chintam Reddy	01658591
3.	Brijmohan Venkata Mandala	00295323
4.	Srinivas Potluri	03412700
5.	Karan Jit Singh	06898258
6.	Pydisetty Veera Venkata Srinivasa Rao	06805347
7.	Srinivasa Vijay Kumar Appana	00299638
8.	Kunda Kalpana	07328517

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended 31st March, 2019.

for **N.V.S.S. Suryanarayana Rao**
Company Secretaries

Sd/-

N.V.S.S. Suryanarayana Rao
Membership Number: 5868
Certificate of Practice Number: 2886

Place: Hyderabad
Date: 20/08/2019



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KELLTON TECH SOLUTIONS LIMITED,
Plot No 1367, Road No- 45, Jubilee Hills,
Hyderabad- 500033,
Telangana.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KELLTON TECH SOLUTIONS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the Financial Year beginning from 1st April, 2018 and ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (1) The Companies Act, 2013 (the "Act") and the rules made there under;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act.
- (4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of, Foreign Direct Investments.
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Not Applicable to the Company during the audit period



(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

Not Applicable to the Company during the audit period

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable to the Company during the audit period

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

Not Applicable to the Company during the audit period

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not Applicable to the Company during the audit period

(6) Other laws applicable to the Company as per the representations made by the Management.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the year under review, the Company was in Compliance with provisions under Secretarial Standards.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the following observations:

1. Company did not intimate to the stock exchange with respect to issuance of duplicate share certificates for 1000 Equity shares.
2. Company has delayed the payment of Employee Provident Fund for 3 days for the month of June.
3. The company has published the items set out under sub regulation (1) of regulation 47 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the newspapers. However, the newspaper publications have not been hosted on the website of listed entity.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decisions are carried out unanimously and are captured and recorded as part of the minutes.



I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

for **N.V.S.S. Suryanarayana Rao**
Company Secretaries

Sd/-

N.V.S.S. Suryanarayana Rao

Membership Number: 5868

Certificate of Practice Number: 2886

Place : Hyderabad

Date : 20/08/2019

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report;



To,
The Members,
KELLTON TECH SOLUTIONS LIMITED,
Plot No 1367, Road No- 45, Jubilee Hills,
Hyderabad- 500033,
Telangana.

I report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **N.V.S.S. SuryanarayanaRao**
Company Secretaries

Sd/-
N.V.S.S. SuryanarayanaRao
Membership Number: 5868
Certificate of Practice Number: 2886

Place: Hyderabad
Date: 20/08/2019



ANNUAL RETURN

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L72200TG1993PLC016819
Registration Date	31/12/1993
Name of the Company	KELLTON TECH SOLUTIONS LIMITED
Category / Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
Address of the Registered office and contact details	Plot No 1367, Road No- 45 Jubilee Hills Hyderabad TG 500033 Inida
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	M/s. XL Softech Systems Ltd. 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana email: xlfield@gmail.com Website: www.xlsoftech.com Phone : 040 23545913/14/15 Fax: 040 23553214

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	IT Services (Providing Software support and maintenance to the client)	620	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1	Kellton Dbydx Software Private Limited	U72200TG-2005PTC094635	Subsidiary	100	Sec 2(87)
2	Kellton Tech Inc, USA	46-3594835	Subsidiary	100	Sec 2(87)
3	Kellton Tech Solutions Inc., USA	47-4003633	Subsidiary	100	Sec 2(87)
4	Kellton Tech Limited, Ireland	573210	Subsidiary	100	Sec 2(87)



IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Share Holding :

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	23,94,384	-	23,94,384	2.48	23,94,384	-	23,94,384	2.48	Nil
b) Central Govt	-	-	-	-	-	-	-	-	Nil
c) State Govt(s)	-	-	-	-	-	-	-	-	Nil
d) Bodies Corp.	5,59,71,900	-	5,59,71,900	58.07	5,59,71,900	-	5,59,71,900	58.07	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	Nil
f) Any other	-	-	-	-	-	-	-	-	Nil
Sub-total(A)(1):	5,83,66,284	-	5,83,66,284	60.56	5,83,66,284	5,83,66,284	5,83,66,284	60.56	Nil
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	Nil
b) Other – Individuals	0	0	0	0	0	0	0	0	Nil
c) Bodies Corp.	0	0	0	0	0	0	0	0	Nil
d) Banks / FI	0	0	0	0	0	0	0	0	Nil
e) Any other	0	0	0	0	0	0	0	0	Nil
Sub-total (A)(2):	0	0	0	0	0	0	0	0	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	58,36,6284	0	5,83,66,284	60.56	58,36,6284	0	5,83,66,284	60.56	Nil



ii. SHAREHOLDING OF PROMOTERS:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Chintam Krishna Reddy	11,42,286	1.18	-	11,42,286	1.18	-	-
2	Sreevidya Chintam	9,02,776	0.94	-	9,02,776	0.94	-	-
3	Mohana Reddy Chintam	3,28,552	0.34	-	3,28,552	0.34	-	-
4	Lakshmi Chintam	20,770	0.02	-	20,770	0.02	-	-
5	Kellton Wealth Management LLP	1,28,00,000	13.28	-	1,28,00,000	13.28	1.04	-
6	Matric Finvest LLP	4,31,71,900	44.79	5.81	4,31,71,900	44.79	5.81	-
	TOTAL	5,83,66,284	60.56	5.81	5,83,66,284	60.56	6.85	-

iii. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE):

There is no change in the shareholding of Promoter's during the year.



iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sl. No	Name of the Share holder	Shareholding at the beginning of the year		No. Of Shares		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Grandeur Peak International Opportunitie	13,37,558	1.39	-	-	13,37,558	1.39
2	Bhavani Sanna Reddy	1,977	-	12,61,677	-	12,63,654	1.31
3	Grandeur Peak Global Opportu- nities Fund	11,86,000	1.23	-	49,019	11,36,981	1.18
4	Prosoft Cyberworld Private Limited	14,91,842	1.55	-	4,02,174	10,89,668	1.13
5	Venkata Soma Sekhara Reddy Vemireddy	2,130	-	7,97,158	-	7,99,288	0.83
6.	Mahendra Ramakrishna Dan- dekar	7,38,758	0.77	11,300	-	7,50,058	0.78
7	Ricco International Private Limited	6,73,734	0.70	-	-	6,73,734	0.70
8	Ashish Kumar	6,38,668	0.66	-	-	6,38,668	0.66
9	Udayan Kanubhai Mandavia	6,35,736	0.66	-	66,000	5,69,736	0.59
10	ARC Maritime Private Limited	4,84,586	0.50	-	-	4,84,586	0.50



v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Niranjan Chintam-Executive Chairman/WTD	Nil	Nil	Nil	Nil
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
2	Krishna Chintam- Managing Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	11,42,286	1.19	11,42,286	1.19
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change	1.19	11,42,286	1.19
3	Brijmohan Venkata Mandala- Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	11,42,286	1.19	11,42,286	1.19
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change	0.20	2,00,000	0.20
3	Brijmohan Venkata Mandala- Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	2,00,000	0.20	2,00,000	0.20
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change	0.20	2,00,000	0.20
3	Brijmohan Venkata Mandala- Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	2,00,000	0.20	2,00,000	0.20
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change	0.20	2,00,000	0.20



4	Karanjit Singh - Whole Time Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	3,73,490	0.38	3,73,490	0.38
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change	0.38	3,73,490	0.38
	At the End of the year	3,73,490	0.38	3,73,490	0.38
5	Srinivas Potluri - Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	3,33,332	0.34	3,33,332	0.34
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change	0.34	3,33,332	0.34
	At the End of the year	3,33,332	0.34	3,33,332	0.34
6	PVV Srinivasa Rao - Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil



7	Kunda Kalpana - Director	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
8	Srinivasa Vijay Kumar Appana - Director (Appointed on 15th January, 2019)	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil
9	Ahsan Ali Hussain Ajnai - Company Secretary (Appointed on 14th February, 2019)	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil



V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding de- posits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,88,69,080	-	-	30,88,69,080
ii) Interest due but not paid	-	-	-	-
iii) Interest ac- crued but not due	3,412	-	-	3,412
Total (i+ii+iii)	30,88,72,492	-	-	30,88,72,492
Change in Indebt- edness during the financial year				
Addition	22,44,460	-	-	22,44,460
Reduction	9,51,63,502	-	-	9,51,63,502
Net Change	(9,29,19,042)	-	-	(9,29,19,042)
Indebtedness at the end of the financial year				
i) i) Principal Amount	21,59,50,038	-	-	21,59,50,038
ii) Interest due but not paid		-	-	
Interest accrued but not due	34,663	-	-	34,663
Total (i+ii+iii)	21,59,84,701	-	-	21,59,84,701

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager*: Refer Note No. 36(v) of Standalone financial statements



B. REMUNERATION TO OTHER DIRECTORS :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Brijmohan V Mandala	Srinivas Potluri	PVV Srinivasa Rao	Kunda Kalpana	Srinivasa Vijay Kumar Appana	
1	Independent Directors						
	Fee for attending board / committee meetings	Nil	Nil	Nil	80,000		80,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1+2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	80,000	Nil	80,000
Overall Ceiling as per the Act : The act provides for paying sitting fees upto Rs 1,00,000 per meeting							



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		*Pawni Bhawe (CS)	*Ahsan Ajani (CS)	CFO	Total
1					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,63,817	84,371	-	4,48,188
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please Specify				
	Total	3,63,817	84,371	-	4,48,188

* Ms. Pawni Bhawe resigned effective from 14th February, 2019

* Mr. Ahsan Ajani appointed effective from 14th February, 2019

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties, Punishment or Compounding of offences during the F.Y. ended 31st March, 2019.

For and on behalf of the Board of Directors

Sd/-
Krishna Chintam
 Managing Director
 DIN: 01658145

Sd/-
Niranjan Chintam
 Whole Time Director
 DIN: 01658591

Place : Hyderabad

Date : 03/09/2019



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Report on Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

Kellton Tech believes in balancing growth priorities with social responsibility. Indeed, even in its commercial undertakings, it attracts special attention to those projects concerning the welfare of masses. It lends a helping hand to various institutions dedicated to philanthropic pursuits. Additionally, it has offered direct assistance to the needy through the allocated CSR funds and funds generated by employee-contribution.

With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Our CSR Policy is framed, in accordance with the requirement of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 including all statutory modifications / amendments made thereof.

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

COMPOSITION OF CSR COMMITTEE

The CSR Committee of the board is tasked with the responsibility of keeping a close eye on the adherence of activities to Kellton Tech's CSR objectives and supervising the execution of its CSR policy. The committee earmarks the activities on which the funds are to be expended and evaluates the progress and resultant benefits accrued from them. The CSR committee comprises two independent directors and the MD. The members of the CSR committee are :

S.no	Name	Category of Director	Designation
1.	Mr. Srinivas Vijay Kumar Appana ⁽¹⁾	Non-Executive Independent Director	Chairman
2.	Mr. BrijmohanVenkata Mandala	Non-Executive Independent Director	Member
3.	Mr. Krishna Chintam	Executive Director	Member

(1) Appointed as independent director effective date January 15, 2019

OUR OBJECTIVES

Our broad objectives as stated in our CSR policy include:

- To actively contribute to the social, environmental and economic development of the society in which we operate. A brief outline of the Company's CSR Policy is provided in the link at website viz www.kelltontech.com

FOCUS AREAS

1. Health care Sector
2. Child Education
3. Financial aid to meritorious students



Kellton Tech has contributed to its bit to the society through various initiatives in these areas.

Kellton Tech is providing scholarship to the needy, deserving students for further education. In collaboration with various NGO, it has sponsored the education of many children with single parent.

The Company is committed to skill development initiatives and vocational training sessions for the weaker section and the underprivileged.

The funds provided have been efficiently utilised in honing the skills of youth from villages and backward areas of States of Andhra Pradesh and Telangana, in various fields which will help them get improved job opportunities and earn a respectable livelihood.

In the past year, employees of Hyderabad and Gurugram office have participated in the distribution of essentials for infants and nourishing edibles to patients of local hospitals as part of REACH OUT initiative of Kellton Tech.

The Company has worked closely with NGO's in health care sector for providing patient care for elderly, distribution of essential medicines and education for prevention and eradication of diseases. We have put special emphasis in the area of health care and have , therefore spent a major portion of our CSR expenditure in the said area.

FINANCIAL DETAILS

Section 135 of the Companies Act, 2013 and Rules made under it prescribe that every company having a "net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more" during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility (CSR) Policy. The provisions pertaining to CSR as prescribed under the Companies Act, 2013 are applicable to Kellton Tech Solutions Limited.

The financial details as sought by the Companies Act, 2013 for financial year 2018-19 are as follows:

- Average Net profit for the preceding three Financial Years for the purpose of computation of CSR : Rs. 8,25,01,002/-
- Prescribed CSR expenditure (2% of Average Net Profit): Rs.16,50,020/-
- Details of CSR spent for the financial year :
 - a. Total amount spent during the financial year 2018-19: Rs. 18,50,240/-
 - b. Amount unspent, if any: Nil



c. Manner in which the amount spent during the financial year is detailed below:

(Amount in Rs.)

S No.	CSR Project or activity identified	Sector in which the project is covered	Project or programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1. Direct Expenditure on projects or programs. 2. Over-heads	Cumulative expenditure upto reporting period	Amount Spent: Direct or through implementing agency
1.	Fund provided to NGO for Child Education	Education	Telangana/ Andhra Pradesh	6,00,000	6,00,000	6,00,000	Kellton Tech Solutions Limited
2.	Scholarship fund for meritorious students	Education	Telangana/ Andhra Pradesh	5,75,000	5,75,000	5,75,000	Kellton Tech Solutions Limited
3.	Fund provided to NGO for disease eradication through education of preventive measures	Health Care and Skill Development	Telangana/Uttar Pradesh	2,75,240	2,75,240	2,75,240	Kellton Tech Solutions Limited
4.	Amount spent for REACH OUT initiative	Child and Health Care	Telangana	4,00,000	4,00,000	4,00,000	Kellton Tech Solutions Limited

Sd/-

Krishna Chintam
Managing Director
DIN: 01658145

Sd/-

Srinivas Vijay Kumar Appana
CSR Committee Chairman
DIN: 00299638

Place : Hyderabad

Date : 03/09/2019



INDEPENDENT AUDITOR'S REPORT

**To The Members of
Kellton Tech Solutions Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Kellton Tech Solutions Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of: the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether



due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For P A R Y & Co

Chartered Accountants

FRN: 007288C

Sd/-

P. Vamshi Krishna Reddy

Partner

M.NO. 224674

Place: Hyderabad

Date: 30-05-2019



(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Kellton Tech Solutions Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an 'audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P A R Y & Co

Chartered Accountants
FRN: 007288C

Sd/-

P. Vamshi Krishna Reddy

Partner

M.NO. 224674

Place: Hyderabad

Date: 30-05-2019



(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kellton Tech Solutions Limited of even date)

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

i. In respect of the Company's fixed assets :

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The Company is in the business of providing software services and has physical inventories. As explained to us, physical verification of inventories has been conducted by the Management at reasonable intervals during the year. No material discrepancies were noticed.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.



For P A R Y & Co

Chartered Accountants
FRN: 007288C

Sd/-

P. Vamshi Krishna Reddy

Partner

M.NO. 224674

Place: Hyderabad

Date: 30-05-2019



STANDALONE BALANCE SHEET AS AT 31.03.2019

(Amount in Rs)

	NOTE	As At Mar 31 '2019	As At Mar 31 '2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,12,51,098	7,68,93,915
Goodwill		9,62,50,000	9,62,50,000
Other intangible assets	6	1,82,36,825	1,15,00,771
Financial assets			
Investments	7	73,64,91,333	70,13,86,922
Other financial assets	8	1,39,40,195	1,26,87,178
Deferred tax assets (net)	9	45,74,038	21,20,131
Other non-current assets	10	34,25,64,234	29,12,47,914
		1,30,33,07,723	1,19,20,86,831
Current assets			
Inventories	27	2,66,34,636	2,42,10,021
Financial assets			
Trade receivables	11	47,60,10,560	49,06,12,712
Cash and cash equivalents	12	18,30,132	2,98,36,222
Bank balances other than cash and cash equivalents		7,41,55,258	4,82,19,940
Other financial assets	13	10,51,04,325	5,49,19,012
Current Tax Assets		8,87,620	-
Other current assets	14	8,77,56,849	7,78,72,635
		77,23,79,380	72,56,70,542
TOTAL ASSETS		2,07,56,87,103	1,91,77,57,373
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	48,19,12,340	48,19,12,340
Other equity	16	63,98,73,632	55,11,42,193
		1,12,17,85,972	1,03,30,54,533
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,54,48,297	2,17,98,353



Other financial liabilities	18	33,14,11,800	26,80,06,000
Provisions	19	1,79,65,591	1,32,57,511
		36,48,25,688	30,30,61,864
Current liabilities			
Financial liabilities			
Borrowings	20	19,99,05,667	28,66,13,200
Trade payables	21	15,07,05,239	16,71,24,200
Other financial liabilities	22	6,30,737	4,60,938
Other current liabilities	23	19,26,91,476	7,56,29,356
Provisions	24	4,51,42,324	3,18,77,563
Current tax liabilities (Net)		-	1,99,35,719
		58,90,75,443	58,16,40,976
		95,39,01,131	88,47,02,840
TOTAL EQUITY AND LIABILITIES		2,07,56,87,103	1,91,77,57,373

The Accompanying notes 1 to 45 form an intergral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C
Chartered Accountants

Sd/-

P. Vamshi Krishna Reddy

Partner

M No. 224674

For and on behalf of the Board of Directors

Sd/-

Niranjan Chintam

Director & CFO

Sd/-

Krishna Chintam

Managing Director

Sd/-

Ahsan Ajani

Company Secretary

M No. A47596

Place : Hyderabad

Date : 30-05-2019



STANDALONE STATEMENT OF PROFIT AND LOSS AS AT 31ST MARCH 2019 (Amount in Rs)

	Note	For the year ended	
		31-Mar-19	31-Mar-18
Revenue from operations	25	1,11,17,57,704	1,22,54,38,764
Other income	26	4,48,31,816	2,47,52,266
Total income		1,15,65,89,520	1,25,01,91,030
Expenses			
Cost of materials consumed	27	21,62,12,440	35,15,45,849
Employee benefits expense	28	54,93,79,674	48,12,29,191
Finance costs	29	3,99,27,982	3,88,26,982
Depreciation and amortization expense	30	2,28,69,305	2,16,96,473
Other expenses	31	21,29,46,819	21,62,23,258
Total expenses		1,04,13,36,220	1,10,95,21,753
Profit / (Loss) before Exceptional items and tax		11,52,53,300	14,06,69,277
Exceptional Items			
Profit / (Loss) before tax		11,52,53,300	14,06,69,277
Tax expense:			
Current tax		3,29,30,228	4,70,09,333
Tax/(credit) in respect to earlier years		38,15,695	(27,31,254)
Deferred tax	9	(59,75,252)	(21,66,245)
Profit (Loss) for the period from continuing operations		8,44,82,629	9,85,57,443
Profit/(loss) for the period		8,44,82,629	9,85,57,443
Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit liabilities / (asset) (net of tax)		(16,12,393)	(28,90,832)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B) (i) Items that will be reclassified to profit or loss		(4,69,206)	10,00,459
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		(20,81,599)	(18,90,373)
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		8,65,64,228	10,04,47,816
Earnings per equity share (for continuing operation):			
Basic		0.90	1.04
Diluted	32	0.90	1.04



The Accompanying notes 1 to 45 form an intergral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C

Chartered Accountants

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P. Vamshi Krishna Reddy

Partner

M No. 224674

For and on behalf of the Board of Directors

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Niranjan Chintam

Director & CFO

Sd/-

Krishna Chintam

Managing Director

Sd/-

Ahsan Ajani

Company Secretary

M No. A47596

Place : Hyderabad

Date : 30-05-2019



STANDALONE STATEMENT OF CASH FLOW

(Amount in Rs)

	For the Year ended	
	March 31'2019	March 31'2018
Cash flow from Operating Activities		
Profit for the Period	11,52,53,300	14,06,69,277
Adjustments for :		
Depreciation and amortization expense	2,28,69,305	2,16,96,473
Expense on employee stock based compensation	9,81,014	25,82,073
Allowance for doubtful debt	-	17,86,428
Bad Debts	2,45,760	41,53,023
Finance costs	3,99,27,982	3,88,26,982
Miscellaneous expenses written back	5,40,479	(1,53,178)
Loss on disposal of property, plant and equipment	98,314	23,586
Changes in operating assets and liabilities		
Trade receivables	1,43,56,396	(27,29,21,256)
Other assets	(5,10,11,965)	(21,63,401)
Trade payables	(1,64,18,961)	13,61,99,607
Other liabilities	11,65,92,915	(15,69,008)
Provisions	2,00,54,440	49,71,172
Net cash provided by operating activities before taxes	26,34,88,979	7,41,01,778
Income taxes paid	5,35,78,712	2,71,58,313
Net cash provided by operating activities	20,99,10,267	4,69,43,465
Cash flow from investing activities		
Purchase of property, plant and equipment	(4,40,60,856)	(1,46,39,028)
Investment in subsidiaries	(3,51,04,411)	(10,72,85,253)
Net cash (used in)or provided by investing activities	(7,91,65,267)	(12,19,24,281)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	-	52,33,305
Change in securities premium	-	2,65,76,146
Finance costs paid	(3,99,27,982)	(3,88,26,982)
Change in loans and borrowings	(9,28,87,790)	8,92,63,256
Net cash used in financing activities	(13,28,15,772)	8,22,45,725
Net increase in cash and cash equivalents	(20,70,772)	72,64,910
Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period	7,80,56,162	7,07,91,253
Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period	7,59,85,390	7,80,56,162



The Accompanying notes 1 to 45 form an intergral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C
Chartered Accountants

Sd/-

P. Vamshi Krishna Reddy

Partner

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For and on behalf of the Board of Directors

Sd/-

Niranjan Chintam

Director & CFO

Sd/-

Krishna Chintam

Managing Director

Sd/-

Ahsan Ajani

Company Secretary

M No. A47596

Place : Hyderabad

Date : 30-05-2019



KELLTON TECH SOLUTIONS LIMITED

Statement of changes in equity for the year ended March 31, 2019

Particulars	Amount
(a) Equity share capital (Balance at the April 1, 2018)	9,63,82,468
Add: Shares capital issued	-
Balance at the March 31, 2019	9,63,82,468

(b) Other equity

Particulars	Reserves and Surplus (refer note 16)					Total
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	
Balance as at April 1, 2017	5,67,350	1,35,51,494	34,51,59,429	1,26,19,124	28,82,84,052	66,01,81,449
Changes in accounting policy or prior period errors						-
<i>Total Comprehensive Income for the year comprising of:</i>						-
Profit for the period					10,04,47,817	10,04,47,817
Other Changes (Specified as under) :						-
Issue of equity shares			(24,09,56,171)			(24,09,56,171)
Issue of share capital			2,65,76,146			2,65,76,146
Compensation cost related to employee share based payment				39,98,354		39,98,354
Restatement of other financial liability					8,94,600	8,94,600
Balance as at March 31, 2018	5,67,350	1,35,51,494	13,07,79,404	1,66,17,478	38,96,26,469	55,11,42,195
<i>Balance as at April 1, 2018</i>	5,67,350	1,35,51,494	13,07,79,404	1,66,17,478	38,96,26,469	55,11,42,195
Changes in accounting policy or prior period errors						



Total Comprehensive Income for the year comprising of:									
Profit for the period								8,65,64,228	8,65,64,228
Other Changes (Specified as under) :								-	-
Compensation cost related to employee share based payment							21,67,208		21,67,208
Share issued against share application money									
Balance at the March 31, 2019	5,67,350	1,35,51,494	13,07,79,404	1,87,84,686	47,61,90,697				63,98,73,631

The Accompanying notes 1 to 45 form an integral part of the financial statements
As per our report of even date

For P A R Y & Co

Firms' Registration Number: 007288C
Chartered Accountants

Sd/-

P. Vamshi Krishna Reddy
Partner
M No. 224674

For and on behalf of the Board of Directors

Sd/-

Niranjan Chintam
Director & CFO

Sd/-

Krishna Chintam
Managing Director

Sd/-

Ahsan Ajani
Company Secretary
M No. A47596

Place : Hyderabad
Date : 30-05-2019



NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS ACCOUNTING POLICIES FOR STANDALONE STATEMENTS 31ST -MARCH 2019

1) Corporate Information

Kellton Tech Solutions Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is global company and offers services in digital transformation, ERP and other IT services.

2) Basis of preparation

a) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 2013 and on a going concern concept other than Share based payment transactions and Defined benefit and other long-term employee benefits.

b)The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

c) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act,2013, ("the Act") and other relevant provisions of the Act.

3) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes

a) Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method, The standard is applied retrospectively only to contracts that are not completed as at the date of the initial application and the comparative information is not restated in the condensed consolidated interim statement of profit and loss. The effect on adoption of the said standard was insignificant on these financial statements.



b) Income tax

The Company' tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

c) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

4) Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

b) Foreign currency transactions and balances

i) Initial Recognition

Foreign currency transactions are recorded at the rates prevailing date of transactions.

ii) Exchange Differences

Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

iii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.



Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

h) Depreciation

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro – rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

i) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.

j) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

k) Leases

Assets acquired under finance leases are recognized at the lower of the cost of the leased assets at inception or the present value of minimum lease payment. Lease Payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

l) Revenue Recognition

i) Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.



ii) Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

iii) Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

iv) Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

v) Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

m) Employee Benefits

The Company has the following employee benefit plans:

i) Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

ii) Gratuity

The Company has a scheme for payment of gratuity to all its employees as per provisions of the Payment of Gratuity Act 1972. The Company provides for period end liability using the projected unit credit method as per the actuarial valuation carried out by the Independent actuary. The cost of providing benefit under gratuity plan are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur.

iii) Leave encashment

Leave encashment claims are settled on year to year basis.

n) Share based payments

In accordance with Ind AS 102 –“Share Based Payments”, Employees of the Company receive remuneration



in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The expense is recognized in the statement of profit and loss with a corresponding increase to the share based payment reserve, a component of equity.

The equity instruments generally vest in a graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants (accelerated amortization). The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

o) Income Tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income

i) Current Income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii) Deferred Income Tax

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the



Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

p) Segment reporting

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

s) Contingent Liabilities

Subject to IND AS 109, contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation

t) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.



u) Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

w) Related parties Transactions

Related party transactions including purchases, services, fund and non fund based agreements are disclosed separately.



KELLTON TECH SOLUTIONS LIMITED

Significant accounting policies and notes to the accounts
For the year ended **March 31, 2019**

Note No 5. Property, plant and equipment

Particulars	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value							
At April 1, 2018	26,15,628	53,44,340	4,83,99,011	2,34,55,446	4,24,90,551	2,15,64,761	14,38,69,736
Additions	-	5,19,749	48,48,115	2,01,54,202	48,16,872	25,14,818	3,28,53,755
Disposals / adjustments	-	-	-	-	-	(8,69,000)	(8,69,000)
At March 31, 2019	26,15,628	58,64,089	5,32,47,126	4,36,09,647	4,73,07,423	2,32,10,579	17,58,54,491
Accumulated depreciation							
At April 1, 2018	11,24,663	38,93,433	3,70,66,886	61,38,746	77,09,148	1,10,42,944	6,69,75,820
Depreciation expense	2,51,340	8,95,209	76,81,649	24,42,396	41,56,971	26,10,694	1,80,38,259
Disposals / adjustments	-	-	-	-	-	(4,10,686)	(4,10,686)
At March 31, 2019	13,76,003	47,88,641	4,47,48,535	85,81,142	1,18,66,119	1,32,42,952	8,46,03,393
Net block March 31, 2019	12,39,624	10,75,448	84,98,591	3,50,28,505	3,54,41,304	99,67,626	9,12,51,098
Net block March 31, 2018	14,90,964	14,50,908	1,13,32,124	1,73,16,699	3,47,81,403	1,05,21,817	7,68,93,915



Note No 6.

	Good Will	Other Intangible Assets
Gross carrying value		
At April 1, 2018	9,62,50,000	2,33,01,144
Additions	-	1,15,67,098
Disposals / adjustments	-	-
At March 31, 2019	9,62,50,000	3,48,68,242
Accumulated depreciation		
At April 1, 2018	-	1,18,00,373
Amortisation expense	-	48,31,045
Disposals / adjustments	-	-
At March 31, 2019	-	1,66,31,417
Net block March 31, 2019	9,62,50,000	1,82,36,825
Net block March 31, 2018	9,62,50,000	1,15,00,771

NON-CURRENT ASSETS FINANCIAL ASSET

Note No 7. Investments

Particulars	As at March 31'2019	As at March 31'2018
1) Investment in equity instruments (unquoted) Wholly owned subsidiaries (At Cost)		
8,323,765 (March 31, 2018: 8,323,765) fully paid equity shares in Kellton Dbydx Software Pvt Ltd	4,05,79,293	4,05,79,293
546,434 (March 31, 2018: 546,267) fully paid equity shares in Kellton Tech Inc	17,91,09,681	14,40,05,270
2,380 (March 31, 2018: 2380) fully paid equity shares in Kellton Tech Solution Inc	51,68,02,359	51,68,02,359
0 (March 31, 2017: 0) fully paid equity shares in Kellton Tech Limited	-	-
Total	73,64,91,333	70,13,86,922
Aggregate value of unquoted investments	73,64,91,333	70,13,86,922



Note No 8. Other Financial Assets

Particulars	As at March 31'2019	As at March 31'2018
Security deposits		
Unsecured considered good	1,39,40,195	1,26,87,178
Total	1,39,40,195	1,26,87,178

Note No 9. Deferred tax assets (net)

Particulars	As at March 31'2019	As at March 31'2018
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	(16,44,465)	(35,08,029)
Total Deferred tax liabilities	(16,44,465)	(35,08,029)
Deferred tax assets		
Provision for doubtful debts	4,66,733	5,52,006
Provision for gratuity and leave encashment	57,51,770	10,85,604
Mat Credit	-	39,90,550
Total Deferred tax assets	62,18,503	56,28,160
Deferred tax assets after set off	45,74,038	21,20,131

Note No 10. Other non-current assets

Particulars	As at March 31'2019	As at March 31'2018
Security Deposit	5,36,258	5,34,122
Prepaid expenses	18,30,265	1,49,79,517
Others (Mis Exps Un-adjusted)	-	1,28,558
Other non current assets-Guarantee	33,14,11,800	26,80,06,000
Other non current assets-ESOPS	87,85,911	75,99,717
Total	34,25,64,234	29,12,47,914

*(ESOPS and guarantee given on behalf of subsidiary companies)



FINANCIAL ASSETS

Note No 11. Trade receivables

Particulars	As at March 31'2019	As at March 31'2018
(Unsecured)		
Considered good	47,77,96,988	49,23,99,140
Considered doubtful	-	-
Less: Allowance for doubtful debts	(17,86,428)	(17,86,428)
Total	47,60,10,560	49,06,12,712

Note No 12. Cash and cash equivalents

Particulars	As at March 31'2019	As at March 31'2018
Cash on hand	3,37,971	83,815
Balances with banks in current accounts	14,92,161	2,97,52,407
Cash and cash equivalents as per balance sheet	18,30,132	2,98,36,222

Note No 13. Other current financial assets

Particulars	As at March 31'2019	As at March 31'2018
Advances to employees	49,37,352	58,01,002
Accrued Revenue	7,15,03,140	4,37,38,700
Other Advances	2,86,63,833	53,79,310
	10,51,04,325	5,49,19,012

Note No 14. Other current assets

Particulars	As at March 31'2019	As at March 31'2018
Prepaid expenses	1,72,60,091	78,95,407
Deposits	25,57,401	25,57,401
Others	6,79,39,357	6,74,19,827
Total	8,77,56,849	7,78,72,635

Note No 15. Equity share capital

a)

Particulars	As at March 31'2019	As at March 31'2018
Authorised		
12,00,00,000 (March 31, 2018: 12,00,00,000) equity shares of Rs 5/- each	60,00,00,000	60,00,00,000



Issued, subscribed and paid-up capital		
9,63,82,468 (March 31, 2018: 9,63,82,468) equity shares of Rs 5/- each fully paid	48,19,12,340	48,19,12,340
	48,19,12,340	48,19,12,340

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31'2019		As at March 31'2018	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,63,82,468	48,19,12,340	4,71,44,573	23,57,22,865
Add: Shares issued on exercise of employee stock options		-	10,46,661	52,33,305
Add: Bonus shares issued *		-	4,81,91,234	24,09,56,170
Number of shares outstanding at the end of the period	9,63,82,468	48,19,12,340	9,63,82,468	48,19,12,340

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 5 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31'2019		As at March 31'2018	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,31,71,900	44.79	4,31,71,900	44.79
2.Kellton Wealth Management LLP	1,28,00,000	13.28	1,28,00,000	13.28

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members



e) In the period of five years immediately preceding March 31, 2019:

i) The Company has allotted 4,81,91,234 fully paid up equity shares during the quarter ended March 31, 2018, pursuant to 1:1 bonus share issue approved by shareholders passed through Postal Ballot concluded on 19.03.2018

ii) The Company has not bought back any equity shares.

iii) The Company has not allotted any equity shares as fully paid up without payment being received in cash

Note No 16. Other equity

Particulars	As at March 31'2019	As at March 31'2018
a) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	5,67,350	5,67,350
b) Security premium		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	13,07,79,404	13,07,79,404
c) General reserve		
This represents appropriation of profit by the Company.	1,35,51,494	1,35,51,494
d) Retained earnings		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	47,61,90,698	38,96,26,467
e) Share option outstanding account		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees in case of forfeiture corresponding balance is transferred to general reserve.	1,87,84,686	1,66,17,478
Total	63,98,73,632	55,11,42,193

NON- CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 17. Borrowings

Particulars	As at March 31'2019	As at March 31'2018
(Long Term and Secured)		
Vehicle Loans		
a) ICICI Bank Ltd	16,93,421	-



b) HDFC Bank Ltd	-	94,457
c) Axis Bank Ltd	-	70,475
Loan - Indusind Bank	1,37,54,876	2,16,33,421
Total	1,54,48,297	2,17,98,353

Secured long term borrowings represent the amounts received from Banks as summarised below

Lender	Rate of Interest	Security	Terms of repayment	Amount Overdue
ICICI Banks	9.5%	Vehicle	60 Months	Nil
Indusind Bank	1 Year MCLR+ 0.10%	Pari Pasu charge with Axis bank	Multi years	Nil

Note No 18. Other financial liabilities (secured)

Particulars	As at March 31'2019	As at March 31'2018
Guarantee*	33,14,11,800	26,80,06,000
Total	33,14,11,800	26,80,06,000

* Secured by corporate guarantee; pari pasu charge on current assets and book debts of the company as well as book debts of Kellton Tech Inc (subsidiary company).

Note No 19. Provisions : Other Long Term Provisions

Particulars	As at March 31'2019	As at March 31'2018
Provision for employee benefits		
Gratuity	1,79,65,591	1,32,57,511
Total	1,79,65,591	1,32,57,511

CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 20. Borrowings

Particulars	As at March 31'2019	As at March 31'2018
(Short Term and Secured)		
Working Capital Loan : Axis Bank Limited	19,99,05,667	28,66,13,200
Total	19,99,05,667	28,66,13,200



Note:

Lender	Nature of facility	Sanction amount	Rate of interest	Security	Amount Overdue
Axis Bank	Cash Credit	10,00,00,000	3 Months MCLR + 1.85%	"(a) Pari Pasu charge on current assets, present and future alongwith Indusind bank . (b) Hypothecation on properties owned by promoters. (c) Pledge of 24 lacs shares held by Matnic Finvest Private Limited (Promoter company) (d) Personal Gurantee and comfort letter from Promoters"	Nil
	FCDL	10,00,00,000	6 months Libor + 3.15%		

Note No 21. Trade Payables

Particulars	As at March 31'2019	As at March 31'2018
Trade Payables for goods and services	15,07,05,239	16,71,24,200
Total	15,07,05,239	16,71,24,200

* Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act).

Note No 22. Other current financial liabilities

Particulars	As at March 31'2019	As at March 31'2018
Current maturities of long-term debt*	5,96,074	4,57,526
Interest accrued but not due on borrowings*	34,663	3,412
Total	6,30,737	4,60,938

Note:

*The details of interest rates, repayment and other terms are disclosed under note 17

Note No 23. Other current liabilities

Particulars	As at March 31'2019	As at March 31'2018
Unearned income		
Statutory dues payable	13,75,83,103	6,28,46,045
Others	42,41,620	9,55,693
ICD from Subsidiary	5,08,66,753	1,18,27,618
Total other current liabilities	19,26,91,476	7,56,29,356

Note No 24. Provisions : Other Short Term Provisions

Particulars	As at March 31'2019	As at March 31'2018
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Provisions for employees benefits	4,48,92,324	3,17,27,563
Audit fee payable	2,50,000	1,50,000
Total	4,51,42,324	3,18,77,563

Note No 25. Revenue from operations

For the year ended

Particulars	March 31,2019	March 31,2018
Revenue from operations (net)		
Software Services	84,88,86,196	74,53,48,229
Hardware Services	23,60,03,889	46,01,66,564
Maintenance Services	2,68,67,619	1,99,23,971
Total	1,11,17,57,704	1,22,54,38,764

Note No 26. Other income

For the year ended

Particulars	March 31,2019	March 31,2018
Foreign exchange gain/ (loss)	3,48,72,007	2,03,94,859
Interest income on financial as- sets at amortised cost	12,53,017	11,39,108
Interest received	49,70,162	30,20,092
Miscellaneous write offs	-	1,53,178
Miscellaneous Income	37,36,630	45,029
Total	4,48,31,816	2,47,52,266

Note No 27. Cost of Material Consumed

For the year ended

Particulars	March 31,2019	March 31,2018
Purchase of Stock in trade	21,86,37,055	35,18,35,962
Opening Stock	2,42,10,021	2,39,19,908
(Less): Closing stock	(2,66,34,636)	(2,42,10,021)
Total	21,62,12,440	35,15,45,849

Note No 28. Employee benefits expense

For the year ended

Particulars	March 31,2019	March 31,2018
Salaries and wages	50,41,78,868	43,97,96,784
Gratuity Expenses*	83,31,103	66,08,163
Contribution to provident and other funds	1,48,88,728	1,34,33,470
Employee stock compensation expenses	9,81,014	25,82,073
Staff welfare expenses	2,09,99,961	1,88,08,701
Total	54,93,79,674	48,12,29,191

* Refer note 33



Note No 29. Finance costs

For the year ended

Particulars	March 31,2019	March 31,2018
Interest expense	2,27,54,004	2,60,31,340
Exchange differences to the extent considered as an adjustment to borrowing costs	67,01,078	56,683
Other borrowing cost	1,04,72,900	1,27,38,959
Total	3,99,27,982	3,88,26,982

Note No 30. Depreciation and amortization expense

For the year ended

Particulars	March 31,2019	March 31,2018
On property, plant and equipment	1,80,38,260	2,05,27,720
On other intangible assets	48,31,045	8,86,281
Amortization of miscellaneous expenses	-	2,82,472
Total	2,28,69,305	2,16,96,473

Note No 31. Other expenses

For the year ended

Particulars	March 31,2019	March 31,2018
Professional Fee	3,74,86,302	4,04,67,498
Rent	4,95,08,716	4,85,74,973
Travelling and Conveyance	2,37,95,102	1,78,50,001
Internet and webhosting	51,41,610	1,32,31,117
Repairs and maintenance	2,70,13,118	2,85,87,010
Sales and Marketing	64,84,330	32,05,669
Rates and taxes	1,17,563	34,37,775
CSR Contributions	18,50,240	15,78,599
Subscription fees and licences renewal cost	53,52,271	33,49,441
Loss on Sale of Asset	98,314	23,586
Exchange fluctuations Loss	2,73,24,518	2,17,10,673
Provision for doubtful debts	-	17,86,428
Bad Debts	2,45,760	41,53,023
Other Miscellaneous expenses	2,82,28,975	2,80,67,465
Auditor Remuneration:-		
a) Statutory Audit fee	2,00,000	1,25,000
b) Taxation	50,000	50,000
c) Certification charges	50,000	25,000
Total	21,29,46,819	21,62,23,258



Note No 32. Earnings per Share

Particulars	31-Mar-2019	31-Mar-2018
Numerator for EPS		
Net Profit after tax (A)	8,65,64,228	100,447,816
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,63,82,468	9,63,82,468
Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	9,66,60,123	96,638,021
Basic and diluted Earnings Per Share (A)/(B)	0.90	1.04
Diluted Earnings Per Share (A)/(C)	0.90	1.04

* The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate

Note No 33.

a) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.42% (31-March-2019-7.77% and 31-March-2018 - 7.42%). The retirement age has been considered at 58 years

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the Balance Sheet for the respective plans

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at beginning	1,35,51,090	1,03,52,650
Current Service Cost	55,11,310	53,21,105
Interest Expense or Cost	10,52,920	7,68,167
Change in financial assumptions	(16,12,393)	(28,90,832)
Present Value of Obligation as at the end	1,85,02,927	1,35,51,090

Bifurcation of Net Liability

Particulars	As on	
	31-Mar-2019	31-Mar-2018
Current Liability (Short term)	5,37,336	2,93,579
Non-Current Liability (Long term)	1,79,65,591	1,32,57,511
Total Liability	1,85,02,927	1,35,51,090

b) Leave Encashment:-

Since leave encashment claims are settled on year to year basis, no actuarial valuation needs to be obtained.



Note No 34. Financial risk management-

The Company has exposure to the following risks arising from the financial instruments

Market Risk, Liquidity Risk, Credit Risk

i) Risk management framework

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investment of excess liquidity.

ii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

a) Foreign currency risk

The Company has export revenue and is exposed to foreign currency rate risk through operating activities.

The foreign currency risks from financial instruments is as follows:

As at 31-March 2019	USD	GBP	EURO	CAD
Trade Receivable	40,21,664	83,772	0	6,318
Cash and Cash equivalent	Nil	Nil	Nil	Nil
Investments-(In WOS)	1,06,20,300			
Total	1,46,41,964	83772	0	6318
Financial liabilities	Nil			
Financial Guarantee	47,91,265	-	-	-
Trade payable	-	-	-	-

As at 31-March 2018	USD	GBP	EURO	CAD
Trade Receivable	3,536,508	108,485	1,922	Nil
Cash and Cash equivalent				Nil
Investments-(In WOS)	10,119,300			Nil
Total	1,36,55,808	108,485	1,922	Nil
Financial liabilities	1,505,459			Nil
Financial Guarantee	4,120,000	-	-	-
Trade payable	-	-	-	Nil

b) Liquidity Risk

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.



The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet.

(c) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The customer's credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management.

Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with the assessment and outstanding customer receivables are regularly monitored.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Note No 35. Operating Leases

The company has entered into cancellable and non cancellable operating lease agreements for leasing office space. The lease agreement provides for cancellation by either party with a notice period, it also contains a clause for renewal of lease agreements either at the option of group or as mutually agreed by both the parties.

Operating leases as lessee

Particulars	31-Mar 2019	31-Mar 2018
Not Later than one year	51,519,264	4,91,44,715
Later than one year but not later than five years	96,473,510	92,516,832
Later than five years	Nil	Nil

Note No 36. Related Party Disclosures

I) RELATED PARTIES WHERE CONTROL EXISTS

Names of the parties	Description of relationship
Kellton Tech Inc	Wholly owned Subsidiary
Kellton Dbydx Software Private Limited	Wholly owned Subsidiary
Kellton Tech Solutions Inc	Wholly owned Subsidiary
Kellton Tech Limited (Ireland)	Wholly owned Subsidiary
Evantage Solutions Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Vivos Professional LLC	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)



Prosoft Technology Group Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Intelligencepeople Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Cyberworld Solutions Inc	Step Down Subsidiary (Wholly owned Subsidiary of Prosoft Technology Group Inc)
Kellton Tech (UK) Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Lenmar Consulting ,Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
SID Computer Group, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Talent Partners, Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Solutions Inc)
Planetpro Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Inc)
Planetpro Canada Inc	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)
Planetpro Asia Pte Limited	Step Down Subsidiary (Wholly owned Subsidiary of Kellton Tech Limited)

II) KEY MANAGERIAL PERSONNEL

- a) Mr Niranjan Chintam – Director and CFO
- b) Mr Krishna Chintam - Managing Director
- c) Mr Karanjit Singh- CEO and Executive Director
- d) Pawni Bhawe and Ahsan Ajani - Company Secretary

III) RELATIVE OF KEY MANAGERIAL PERSONNEL

Sreevidya Chintam- Wife of Chairman

IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of transactions	Name of Entity	31-March-2019	31-March-2018
Sale of Services	Subsidiaries		
	Prosoft Technology Group Inc	16,37,55,575	12,84,67,108
	Kellton Tech Limited	3,31,22,391	2,72,76,866
	Lenmar Consulting Inc	1,08,08,704	70,13,103
Rent paid for office building	Relative of Key Managerial personnel		
	Sreevidya Chintam & Niranjan Chintam	1,65,37,500	1,57,50,000
ICD from Subsidiaries	Kellton Dbydx Software Private Limited	3,90,39,135	26,48,037



V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

Particulars of Remuneration	For the year ended	
	31-March-2019	31-Mach-2018
Short Term employee benefits	1,18,15,960	1,18,43,986
Share-based payment transactions	Nil	21,87,322
Total compensation paid to key management personnel	1,18,15,960	1,40,31,308

* The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

VI) OUTSTANDING BALANCES

		31-March-2019	31-March-2018
Trade Receivable	Prosoft Technology Group Inc	7,52,87,287	6,84,92,641
	Kellton Tech Limited	Nil	1,54,956
	Lenmar Consulting Inc	2,50,400	70,64,495
Equity Investment in Subsidiaries			
	Kellton Dbydx Software Private Limited	4,05,79,293	4,05,79,293
	Kellton Tech Inc	17,91,09,681	14,40,05,270
	Kellton Tech Solutions Inc	51,68,02,359	51,68,02,359
ICD from Subsidiaries	Kellton Dbydx Software Private Limited	5,08,66,753	1,18,27,618
Security Deposit	Sreevidya Chintam	25,85,000	25,85,000

Note No 37. Employee stock option plan (ESOPS)

The company instituted Kellton Tech Solutions employee stock option, which was approved by shareholders at 19th AGM i.e 27-Dec-2013. The options granted under the ESOP scheme of the Company shall vest only if till the employee serves the Company. Company has made 10 grants under this scheme before the amendment of 27-Sep-2017 having grant price ranging from Rs 10 to Rs 161.50. New options have been granted to the extend on 1,00,000 no. of Equity Shares on 19-Feb-2019.

Details of the grant/issue are given below

Particulars	Year Ended 31-Mar-19	Year Ended 31-Mar-18
	No of option	No of option
Options outstanding at the beginning of the year	491362	1811359
Granted during the year	100000	0
Vested during the year	445363	646495
Exercised during the year	0	1046661
Lapsed or Forfeited during the year	0	273336
Options outstanding at the end of the year	591362	491362
Options vested and exercisable at the end of the year	440359	60668



Note No 38. Segment Reporting

On standalone basis segmental revenue is 99% from Digital transformation services 1% from others.

Note No 39. Contingent liabilities

Contingent liabilities as at 31-March-2019 is Nil (previous year-8330000).

The company is in arbitration in commercial matters that arise from time to time in the ordinary course of business. The Company, based on independent legal opinion obtained in respect of issues related to this matter, believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements.

Note No 40. In the opinion of the management the sum of Rs 6,38,95,787 due from Enterprise Consulting Partner, Inc is overdue but good and recoverable, since the said entity is also having due of sum of Rs 5,20,32,000 (USD 800000) in Kellton Tech Inc, subsidiary company. The balance due of 85,59,787 is good and recoverable.

Note No 41. Inventory consists of only bought out items pertaining computer peripherals required for execution of projects.

Note No 42. GST is accounted based upon input credit commitments of parties however the relevant income is accounted as based when the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration.

Note No 43. Impairment of goodwill as an assets has been considered by management and it is of view that there is no impairment in view of business continuity post acquisition of tekriti.

Note No 44. Corporate social responsibility

The Company has incurred an expenditure of 18.50 Lacs during the financial year (Previous year 15.79 lacs) on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013

Note No 45. Previous year's figures have been regrouped where necessary to conform to current year's classification.



Independent Auditors' Report To The Members of Kellton Tech Solutions Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kellton Tech Solutions Limited (hereinafter referred to as 'the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), comprising the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 'the consolidated financial statements that give a true and fair view and are free from material misstatement', whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true



and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

We did not audit the financial statements/ financial information of subsidiaries, for the year ended on that date, as considered in the consolidated financial statements. As disclosed in Note No.43 forming part of accounts, these financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our Opinion on the consolidated financial statements, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

We did not audit the financial statements/ financial information of 1 subsidiary, for the year ended on that date, as considered in the consolidated financial statements. As disclosed in Note No.43 forming part of accounts, these financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information given to us by the Management.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the Directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiary incorporated in India and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' which is based on the auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.

For **P A R Y & Co**

Firms' Registration Number: 007288C

Chartered Accountants

Sd/-

P. Vamshi Krishna Reddy

Partner

M No. 224674

Place : Hyderabad

Date : 30-05-2019



(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kellton Tech Solutions Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Kellton Tech Solutions Limited (hereinafter referred to as 'the Company') and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which is companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary company, which are companies incorporated in India.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **P A R Y & Co**

Firms' Registration Number: 007288C

Chartered Accountants

Sd/-

P. Vamshi Krishna Reddy

Partner

M No. 224674

Place : Hyderabad

Date : 30-05-2019



	NOTE	As At Mar 31 2019	As At Mar 31 2018
ASSETS			
Non-current assets			
Property, plant and equipment	6	9,98,88,678	8,09,22,752
Goodwill		1,99,01,12,954	2,11,24,13,240
Other intangible assets	7	10,68,57,894	8,23,92,373
Financial assets			
Other financial assets	8	1,97,62,806	1,63,31,451
Other non-current assets	9	21,33,35,023	11,41,56,103
		2,42,99,57,355	2,40,62,15,919
Current assets			
Inventories	27	2,66,34,636	2,42,10,021
Financial assets			
Trade receivables	10	1,80,39,27,621	1,87,31,42,414
Cash and cash equivalents	11	18,42,80,451	15,72,35,042
Bank balances other than cash and cash equivalents		7,42,42,841	4,82,82,523
Other financial assets	12	85,23,62,133	80,71,27,209
Other current assets	13	61,81,94,075	49,22,72,381
		3,55,96,41,757	3,40,22,69,590
TOTAL ASSETS		5,98,95,99,112	5,80,84,85,509
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	48,19,12,340	48,19,12,340
Other equity	15	2,80,95,72,225	2,11,95,14,065
		3,29,14,84,565	2,60,14,26,405
Liabilities			
Non-current liabilities			
Borrowings	16	35,92,54,017	31,99,06,276
Other financial liabilities	17	21,97,20,538	61,28,98,210
Provisions	18	1,79,65,591	1,32,57,511
Deferred tax liabilities (Net)	19	2,56,98,463	1,99,37,280
		62,26,38,609	96,59,99,277



Current liabilities			
Financial liabilities			
Borrowings	20	69,16,62,788	66,99,26,205
Trade payables	21	36,46,96,848	46,91,64,246
Other financial liabilities	22	18,29,75,926	14,97,75,870
Other current liabilities	23	18,14,17,665	19,06,41,983
Provisions	24	45,38,37,803	48,22,73,840
Current tax liabilities (Net)		20,08,84,908	27,92,77,683
		2,07,54,75,938	2,24,10,59,826
		2,69,81,14,547	3,20,70,59,104
TOTAL EQUITY AND LIABILITIES		5,98,95,99,112	5,80,84,85,509

The Accompanying notes 1 to 48 form an integral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

P. Vamshi Krishna Reddy

Partner

M No. 224674

Sd/-

Niranjan Chintam

Director & CFO

Sd/-

Krishna Chintam

Managing Director

Sd/-

Ahsan Ajani

Company Secretary

M No. A47596

Place : Hyderabad

Date : 30-05-2019



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019 (Amount in Rs)

	Note	For the year ended	
		31-Mar-19	31-Mar-18
Revenue from operations	25	8,14,11,22,411	7,83,47,99,953
Other income	26	5,03,87,944	2,74,43,022
Total income		8,19,15,10,355	7,86,22,42,975
Expenses			
Cost of materials consumed	27	21,62,12,439	35,15,45,849
Employee benefits expense	28	3,85,09,49,139	3,49,66,38,626
Finance costs	29	18,88,83,115	16,28,44,282
Depreciation and amortization expense	30	6,65,89,784	5,37,19,190
Other expenses	31	2,89,51,53,210	2,80,28,49,370
Total expenses		7,21,77,87,687	6,86,75,97,318
Profit / (Loss) before Exceptional items and tax		97,37,22,668	99,46,45,657
Exceptional Items		-	-
Profit / (Loss) before tax		97,37,22,668	99,46,45,657
Tax expense:			
Current tax		20,33,08,575	30,44,73,290
Tax/(credit) in respect to earlier years		(5,87,924)	(26,89,348)
Deferred tax	19	15,79,103	89,14,018
Profit (Loss) for the period from continuing operations		76,94,22,914	68,39,47,697
Profit/(loss) for the period		76,94,22,914	68,39,47,697
Other comprehensive income			
A) (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities / (asset) (net of tax)		(16,12,393)	(28,90,832)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B) (i) Items that will be reclassified to profit or loss		(4,69,206)	10,00,459
(ii) Income tax relating to items that will be reclassified to profit or loss		2,07,94,874	4,99,71,329
Total other comprehensive income		1,87,13,275	4,80,80,956
Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		75,07,09,639	63,58,66,741
Earnings per equity share (for continuing operation):			
Basic	32	7.79	6.60
Diluted		7.77	6.58



The Accompanying notes 1 to 48 form an intergral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

P. Vamshi Krishna Reddy

Partner

M No. 224674

Sd/-

Niranjan Chintam

Director & CFO

Sd/-

Krishna Chintam

Managing Director

Sd/-

Ahsan Ajani

Company Secretary

M No. A47596

Place : Hyderabad

Date : 30-05-2019



CONSOLIDATED STATEMENT OF CASH FLOW

	For the Year ended	
	March 31'2019	March 31'2018
Cash flow from Operating Activities		
Profit for the Period	97,37,22,668	99,46,45,657
Adjustments for :		
Depreciation and amortization expense	6,65,89,784	5,37,19,190
Expense on employee stock based compensation	21,67,198	39,98,354
Allowance for doubtful debt	5,41,780	50,52,890
Bad Debts	30,46,655	42,45,316
Finance costs	18,88,83,115	16,28,44,282
Miscellaneous expenses written back	8,37,989	(1,53,178)
Foreign currency translation	(1,87,13,275)	(4,80,80,956)
Loss on disposal of property, plant and equipment	98,314	23,586
Changes in operating assets and liabilities		
Trade receivables	6,56,26,358	(32,85,96,163)
Other assets	(27,70,29,498)	(52,08,61,126)
Trade payables	(10,44,67,398)	28,22,64,779
Other liabilities	(92,24,318)	2,58,75,760
Provisions	(2,37,27,957)	4,86,66,919
Net cash provided by operating activities before taxes	86,83,51,415	68,36,45,311
Income taxes paid	(27,84,00,483)	(13,50,49,894)
Net cash provided by operating activities	58,92,24,012	54,85,95,417
Cash flow from investing activities		
Purchase of property, plant and equipment	(11,01,19,545)	(8,01,42,751)
Interest income on financial assets at amortised cost	-	(4,80,80,956)
Goodwill and capital reserve	11,81,54,380	(23,14,92,878)
Earnout payments-(net)	(39,31,77,672)	(4,00,84,245)
Proceeds from sale of investment in mutual funds		
Net cash (used in)or provided by investing activities	(38,51,42,837)	(39,98,00,830)
Cash flow from financing activities		
Issue of share capital (net of issue expenses paid)	-	52,33,305
Change in securities premium	-	2,65,76,146
Finance costs paid	(18,88,83,115)	(16,28,44,282)
Change in loans and borrowings	9,42,84,380	1,38,30,584
Changes in Reserves	(5,64,76,713)	1,26,19,126
Net cash used in financing activities	(15,10,75,448)	(10,45,85,121)
Net increase in cash and cash equivalents	5,30,05,727	4,42,09,465

KELLTON TECH SOLUTIONS LIMITED



Cash and cash equivalents including bank balances other than cash and cash equivalent at the beginning of the period	20,55,17,565	16,13,08,099
Cash and cash equivalents including bank balances other than cash and cash equivalent at the end of the period	25,85,23,292	20,55,17,564

The Accompanying notes 1 to 48 form an intergral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

P. Vamshi Krishna Reddy

Partner

M No. 224674

Sd/-

Niranjan Chintam

Director & CFO

Sd/-

Krishna Chintam

Managing Director

Sd/-

Ahsan Ajani

Company Secretary

M No. A47596

Place : Hyderabad

Date : 30-05-2019



KELLTON TECH SOLUTIONS LIMITED

Statement of changes in equity for the year ended March 31, 2019

Particulars	Amount (Rs)
(a) Equity share capital (Balance at the April 1, 2018)	9,63,82,468
Add: Shares capital issued	-
Balance at the March 31, 2019	9,63,82,468

(b) Other equity

Particulars	Reserves and Surplus (refer note 15)					Total
	Capital reserve	General reserve	Securities premium reserve	Share options outstanding account	Retained earnings	
Balance as at April 1, 2018	18,91,03,838	1,17,97,477	13,07,79,404	1,66,17,478	1,81,92,96,825	2,11,95,14,063
Total Comprehensive Income for the period comprising of:						
(i) Profit for the period					76,94,22,914	76,94,22,914
(ii) Other comprehensive income (net of taxes)	(41,45,906)				8,69,59,727	2,93,67,684
Compensation cost related to employee share based payment				21,67,208		21,67,208



Business combination-Disinvestment				(19,37,13,465)	(19,37,13,465)
Balance as at March 31, 2019	18,49,57,932	1,17,97,477	13,07,79,404	1,87,84,686	2,48,19,66,001
					(1,87,13,275)
					2,80,95,72,225

The Accompanying notes 1 to 48 form an integral part of the financial statements
As per our report of even date

For **P A R Y & Co**

Firms' Registration Number: 007288C

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
P. Vamshi Krishna Reddy
Partner

M No. 224674

Sd/-

Niranjana Chintam
Director & CFO

Sd/-

Krishna Chintam
Managing Director

Sd/-

Ahsan Ajani
Company Secretary
M No. A47596

Place : Hyderabad

Date : 30-05-2019



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS ACCOUNTING POLICIES FOR CONSOLIDATED STATEMENTS 31ST-MARCH 2019

1) Corporate Information

Kellton Tech Solutions Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is global company and offers services in digital transformation, ERP and other IT services.

2) Basis of preparation

a) The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards issued by the institute of chartered accountants of India and requirements of the Companies Act 2013 and on a going concern concept other than Share based payment transactions and Defined benefit and other long-term employee benefits.

b) The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act.

3) Principles of consolidation

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended March 31, 2019 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Company for its separate financial statements.

The financial statements of the Company and its subsidiary companies have been combined on line by line basis by adding together, the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.



The excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the subsidiary over the cost of investment in the subsidiary is treated as capital reserve in the consolidated financial statements.

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4) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes

a) Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. The standard is applied retrospectively only to contracts that are not completed as at the date of the initial application and the comparative information is not restated in the condensed consolidated interim statement of profit and loss. The effect on adoption of the said standard was insignificant on these financial statements.

b) Income tax

The Company' tax jurisdictions are India. Significant judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions

c) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. The stock compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.



d) Intangible assets and contingent consideration in business combinations

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

5) Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

b) Foreign currency transactions and balances

i) Initial Recognition

Foreign currency transactions are recorded at the rates prevailing date of transactions.

ii) Exchange Differences

Exchange differences arising on settlement of transaction and translation of monetary items are recognized as income or expense.

iii) Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iv) The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognized in other comprehensive income and is presented under equity in the foreign currency translation reserve.



c) Investments

Long term and unquoted current investments are stated at cost and quoted current investments at lower of cost or market value. Provision for diminution in value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

d) Financial instruments

Company does not has any financial instruments

e) Inventories

Inventories are valued at lower of the cost or net realizable value whichever is lower on weighted average basis.

f) Property, plant and equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

g) Intangible Assets

The Intangible assets are recognized when it is probable that the future economic benefit that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Software licenses of enduring nature and contractual rights acquired separately are measured on initial



recognition at cost. Following initial recognition intangible assets are carried at cost less accumulated amortization.

Gains or losses arising from disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Goodwill is subject to impairment testing on an annual basis. However, if indicators of impairment are present, the company will review goodwill for impairment when such indicators arise. The company performs an annual review and no impairment was recorded. Key assumptions used by management to determine the fair value of the goodwill include industry earnings multiples and earnings multiples from previous company acquisitions

h) Depreciation

Depreciation on fixed assets [Tangible and Intangible assets] is provided on Straight line method on pro – rata basis at the rates prescribed in schedule XIV of the Companies Act, 2013 as amended from time to time.

i) Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Preliminary expenditure: To write off preliminary expenses in ten equal yearly installments.

j) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged in statement of profit and loss.

k) Leases

Assets acquired under finance leases are recognized at the lower of the cost of the leased assets at inception or the present value of minimum lease payment. Lease Payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to period during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.



l) Revenue Recognition

i) Revenue from time and material engagements is recognized on time proportion basis as and when the services are rendered in accordance with the terms of the contracts with customers.

ii) In case of fixed price contracts, revenue is recognized based on the milestones achieved as specified in the contracts, on proportionate completion basis.

iii) Revenue from maintenance contracts and subscription is recognized on a pro-rata basis over the period of the contract.

iv) Unbilled revenue represents revenue recognized in relation to work done on time and material projects and fixed price projects until the balance sheet date for which billing has not taken place.

v) Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

m) Employee Benefits

The Company has the following employee benefit plans:

i) Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

p) Segment reporting

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

q) Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of eq-



uity shares outstanding for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

r) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

s) Contingent Liabilities

Subject to IND AS 109, contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation

t) Cash and cash equivalents

Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original, which are subject to an insignificant risk of changes in value.

u) Cash flow statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessary takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

w) Related parties Transactions

Related party transactions including purchases, services, fund and non fund based agreements are disclosed separately.



KELLTON TECH SOLUTIONS LIMITED
Significant accounting policies and notes to the accounts
For the year ended March 31, 2019

Note No 6. Property, plant and equipment

Particulars	Leasehold improvements	Plant and machinery	Office equipment	Computers	Electrical installations	Furniture and fixtures	Vehicles	Total
Gross carrying value								
At April 1, 2018	53,27,774	26,26,976	7,19,10,631	5,91,50,264	2,34,55,445	5,17,04,380	2,45,75,508	23,87,50,979
Additions	-	-	5,19,749	48,48,115	2,01,54,202	48,16,872	85,68,689	3,89,07,626
Disposals / adjustments	-	-	-	-	-	-	(8,69,000)	(8,69,000)
Translation exchange difference	3,37,953	-	41,08,413	14,787	-	5,36,774	-	49,97,926
At March 31, 2019	56,65,727	26,26,976	7,65,38,793	6,40,13,166	4,36,09,647	5,70,58,026	3,22,75,196	28,17,87,531
Accumulated depreciation								
At April 1, 2018	53,27,774	11,32,158	6,97,35,217	4,64,50,204	61,38,746	1,67,15,302	1,23,28,830	15,78,28,232
Depreciation expense	-	2,52,990	11,86,528	83,22,485	24,42,396	42,24,145	30,70,319	1,94,98,862
Disposals / adjustments	-	-	-	(8,116)	-	(75,678)	(4,10,686)	(4,94,481)
Translation exchange difference	3,37,953	-	40,68,965	(21,556)	-	6,81,929	(1,050)	50,66,241
At March 31, 2019	56,65,727	13,85,148	7,49,90,709	5,47,43,017	85,81,142	2,15,45,698	1,49,87,413	18,18,98,854

Net block March 31, 2019	-	12,41,828	15,48,083	92,70,150	3,50,28,505	3,55,12,328	1,72,87,784	9,98,88,678
Net block March 31, 2018	-	14,94,818	21,75,414	1,27,00,060	1,73,16,699	3,49,89,078	1,22,46,683	8,09,22,752

Note No 7.

	Good Will			Other Intangible Assets				
Gross carrying value								
At April 1, 2018		2,11,24,13,240						17,12,22,277
Additions								6,66,26,418
Disposals / adjustments		(20,76,15,029)						-
Translation exchange difference		8,53,14,743						89,28,747
At March 31, 2019		1,99,01,12,954						24,67,77,442
Accumulated depreciation								
At April 1, 2018		-						8,88,29,904
Amortisation expense		-						4,70,90,926
Disposals / adjustments		-						-
Translation exchange difference								39,98,718
At March 31, 2019		-						13,99,19,548
Net block March 31, 2019		1,99,01,12,954						10,68,57,894
Net block March 31, 2018		2,11,24,13,240						8,23,92,373



Note No 8. Other financial assets

Particulars	As at March 31'2019	As at March 31'2018
Security deposits		
Unsecured considered good	1,97,62,806	1,63,31,451
Total	1,97,62,806	1,63,31,451

Note No 9. Other non-current assets

Particulars	As at March 31'2019	As at March 31'2018
Security Deposit	23,66,523	34,59,545
Miscellaneous expenses	-	1,28,558
Other non current assets*	21,09,68,500	11,05,68,000
Total	21,33,35,023	11,41,56,103

*Sale Consideration

FINANCIAL ASSETS

Note No 10. Trade receivables

Particulars	As at March 31'2019	As at March 31'2018
(Unsecured)		
Considered good	1,80,96,30,575	1,87,81,95,304
Less: Allowance for doubtful debts	(57,02,954)	(50,52,890)
Total	1,80,39,27,621	1,87,31,42,414

Note No 11. Cash and cash equivalents

Particulars	As at March 31'2019	As at March 31'2018
Cash on hand	4,13,975	1,59,815
Balances with banks in current accounts	18,38,66,476	15,70,75,227
Cash and cash equivalents as per balance sheet	18,42,80,451	15,72,35,042

Note No 12. Other current financial assets

Particulars	As at March 31'2019	As at March 31'2018
Advances to employees	1,24,25,861	1,16,41,915
Accured Revenue	80,83,45,302	78,88,99,694
Other Advances	3,15,90,970	65,85,601
Total	85,23,62,133	80,71,27,209



Note No 13. Other current assets

Particulars	As at March 31'2019	As at March 31'2018
Prepaid expenses	5,04,40,139	6,04,87,541
Deposits	25,57,401	25,82,401
Others	56,51,96,535	42,92,02,439
Total	61,81,94,075	49,22,72,381

Note No 14. Equity share capital

a)

Particulars	As at March 31'2019	As at March 31'2018
Authorised		
12,00,00,000 (March 31, 2018: 12,00,00,000) equity shares of Rs 5/- each	60,00,00,000	60,00,00,000
Issued, subscribed and paid-up capital		
9,63,82,468 (March 31, 2018: 9,63,82,468) equity shares of Rs 5/- each fully paid	48,19,12,340	48,19,12,340
	48,19,12,340	48,19,12,340

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31'2019		As at March 31'2018	
	No of Shares	Amount	No of Shares	Amount
Number of shares outstanding at the beginning of the period	9,63,82,468	48,19,12,340	4,71,44,573	23,57,22,865
Add: Shares issued on exercise of employee stock options	-	-	10,46,661	52,33,305
Add: Bonus shares issued *	-	-	4,81,91,234	24,09,56,170
Number of shares outstanding at the end of the period	9,63,82,468	48,19,12,340	9,63,82,468	48,19,12,340

c) Terms/rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs 5 each. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholder meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholder meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.



d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31'2019		As at March 31'2018	
	No of shares	% Holding	No of shares	% Holding
Name of the shareholder*				
1.Matnic Finvest LLP	4,31,71,900	44.79	4,31,71,900	44.79
2.Kellton Wealth Management LLP	1,28,00,000	13.28	1,28,00,000	13.28

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members

e) In the period of five years immediately preceding March 31, 2019:

i) The Company has allotted 4,81,91,234 fully paid up equity shares during the quarter ended March 31, 2018, pursuant to 1:1 bonus share issue approved by shareholders passed through Postal Ballot concluded on 19.03.2018

ii) The Company has not bought back any equity shares.

iii) The Company has not allotted any equity shares as fully paid up without payment being received in cash

Note No 15. Other equity

Other equity	As at March 31'2019	As at March 31'2018
a) Capital reserve		
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.	18,49,57,932	18,91,03,838
b) Security premium		
Amounts received on (issue of shares) in excess of the par value has been classified as securities premium.	13,07,79,404	13,07,79,404
c) General reserve		
This represents appropriation of profit by the Company.	1,17,97,477	1,17,97,477
d) Retained earnings		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	2,48,19,66,001	1,81,92,96,824
e) Share option outstanding account		
The share option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees in case of forfeiture corresponding balance is transferred to general reserve.	1,87,84,686	1,66,17,478
f) Other items of other comprehensive income	(1,87,13,275)	(4,80,80,956)
Total	2,80,95,72,225	2,11,95,14,065



NON- CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 16. Borrowings

Particulars	As at March 31'2019	As at March 31'2018
(Long Term and Secured)		
Vehicle Loans		
a) ICICI Bank Ltd	16,93,421	-
b) Bank of America	31,70,975	-
c) HDFC Bank Ltd	-	94,457
d) Axis Bank Ltd	-	70,475
Loan - Indusind Bank	1,37,54,876	2,16,33,421
Loan-Axis Bank Limited (UK)	22,07,39,800	17,95,10,400
Loan -Savoy bank	-	89,27,902
Loan -Alostar	11,98,94,945	-
Other Borrowings	-	10,96,69,621
Total	35,92,54,017	31,99,06,276

*Secured long term borrowings represent the amounts received from Banks as summarised below

Lender	Rate of Interest	Security
ICICI Banks	9.5%	Vehicle
Bank of America	6.5%	Vehicle
Axis Bank -UK	Libor + 2bps	"Stand by Letter of credit"
Indusind Bank	1 Year MCLR+ 0.10%	Pari Pasu charge with Axis bank
Savoy Bank	Prime + 3.25	Assets of company
Itria Ventures LLC	10% -18%	Personal Gurantee of Promoters
Alostar	LIBOR + 3.50% P.A	Receivables of the Company-Subsidiary

Note No 17. Other financial liabilities

Particulars	As at March 31'2019	As at March 31'2018
Acquisition contingent payout	21,97,20,538	61,28,98,210
Total	21,97,20,538	61,28,98,210

Note No 18. Provisions : Other Long Term Provisions

Particulars	As at March 31'2019	As at March 31'2018
Provision for employee benefits		
Gratuity	1,79,65,591	1,32,57,511
Total	1,79,65,591	1,32,57,511



Note No 19. Deferred tax liability (net)

Particulars	As at March 31'2019	As at March 31'2018
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	14,74,725	38,29,791
"Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets (overseas)"	3,15,41,518	2,36,05,805
Total Deferred tax liabilities	3,30,16,243	2,74,35,596
Deferred tax assets		
Provision for doubtful debts	(4,66,733)	(18,58,591)
Provision for gratuity and leave encashment	(61,18,263)	(16,49,174)
Mat credit	(7,32,784)	(39,90,550)
Total Deferred tax assets	(73,17,780)	(74,98,315)
Deferred tax liability after set off	2,56,98,463	1,99,37,280

CURRENT LIABILITIES FINANCIAL LIABILITIES

Note No 20. Borrowings

Particulars	As at March 31'2019	As at March 31'2018
(Short Term and Secured)		
Term Loans : Vehicle		
Working Capital Loan : Axis Bank Limited	19,99,05,667	28,66,13,200
Working capital Line of Credit: Bridge bank	-	24,30,50,829
Working capital Line of Credit: Alostar	43,28,53,240	9,47,34,176
Term Loan: Savoy bank	84,73,367	-
Loan-Axis Bank Limited-Singapore	2,21,34,400	-
Other short term	2,82,96,114	4,55,28,000
Total	69,16,62,788	66,99,26,205

*Short term borrowings represent the amounts received from Banks as summarised below

Lender	Nature of facility	Rate of interest
Axis Bank	Cash Credit	3 Months MCLR + 1.85%
	FCDL	6 months Libor+3.15%
Alostar	Working Capital	LIBOR + 2.75%
Savoy bank	Working capital Term loan	Primerate +3.5 %
Axis Bank -Singapore	Stand by Letter of credit	Libor + 2.95bps
Other Loans	Acquisition Finance	10% -18%



Note No 21. Trade Payables

Particulars	As at March 31'2019	As at March 31'2018
Trade Payables for goods and services	36,46,96,848	46,91,64,246
Total	36,46,96,848	46,91,64,246

* Company has no information on amount due to Micro, Small and Medium Enterprises under Section 22 of Micro, Small & Medium Enterprises Development Act 2006(MSMED Act)

Note No 22. Other current financial liabilities

Particulars	As at March 31'2019	"As at March 31'2018
Current maturities of long-term debt*	17,98,62,193	14,96,39,256
Interest accrued but not due on borrowings*	31,13,733	1,36,614
Total	18,29,75,926	14,97,75,870

*The details of interest rates, repayments and other terms are disclosed under Note No 16

Note No 23. Other current liabilities

Particulars	As at March 31'2019	As at March 31'2018
Statutory dues payable	14,30,83,309	7,19,75,193
Advances received from customers	60,76,199	39,06,672
Others	3,22,58,157	11,47,60,118
Total other current liabilities	18,14,17,665	19,06,41,983

Note No 24. Provisions : Other Short Term Provisions

Particulars	As at March 31'2019	As at March 31'2018
Provisions for employees benefits	21,33,91,955	24,33,60,106
Accrued Expenses	24,04,45,848	23,89,13,734
Total	45,38,37,803	48,22,73,840

Note No 25. Revenue from operations

Particulars	For the year ended	
	March 31,2019	March 31,2018
Revenue from operations (net)		
Software Services	7,83,31,63,883	7,35,47,09,418
Hardware Services	23,60,03,889	46,01,66,564
Maintenance Services	7,19,54,639	1,99,23,971
Total	8,14,11,22,411	7,83,47,99,953



Note No 26. Other income

Particulars	For the year ended	
	March 31,2019	March 31,2018
Foreign exchange gain/ (loss)	3,48,72,007	1,74,50,151
Interest income on financial as- sets at amortised cost	12,53,017	11,39,108
Interest received	49,70,683	30,20,092
Miscellaneous write offs	-	1,53,178
Miscellaneous Income	57,97,737	30,86,381
Profit on sale of Investment	34,94,500	25,94,113
Total	5,03,87,944	2,74,43,022

Note No 27. Cost of Material Consumed

Particulars	For the year ended	
	March 31,2019	March 31,2018
Purchase of Stock in trade	21,86,37,054	35,18,35,962
Opening Stock	2,42,10,021	2,39,19,908
(Less): Closing stock	(2,66,34,636)	(2,42,10,021)
Total	21,62,12,439	35,15,45,849

Note No 28. Employee benefits expense

Particulars	For the year ended	
	March 31,2019	March 31,2018
Salaries and wages	3,65,16,46,764	3,32,99,47,064
Gratuity Expense	83,31,103	71,26,792
Contribution to provident and other funds	1,49,68,540	1,35,34,133
Employee stock compensation expenses	21,67,198	39,98,354
Staff welfare expenses	17,38,35,534	14,20,32,284
Total	3,85,09,49,139	3,49,66,38,626

Note No 29. Finance costs

Particulars	For the year ended	
	March 31,2019	March 31,2018
Interest expense	13,78,96,658	13,48,20,843
Exchange differences to the extent considered as an adjustment to borrowing costs	67,01,078	56,683
Other borrowing cost	4,42,85,379	2,79,66,756
Total	18,88,83,115	16,28,44,282



Note No 30. Depreciation and amortization expense

For the year ended

Particulars	March 31,2019	March 31,2018
On property, plant and equipment	1,94,98,862	2,21,45,657
On other intangible assets	4,70,90,922	3,12,91,061
Amortization of miscellaneous expenses	-	2,82,472
Total	6,65,89,784	5,37,19,190

Note No 31. Other expenses

For the year ended

Particulars	March 31,2019	March 31,2018
Professional Fee	14,88,31,377	26,81,64,152
Subcontracting Expenses	2,35,42,16,887	2,12,47,52,279
Rent	8,70,16,187	8,45,47,017
Travelling and Conveyance	6,99,22,679	4,30,61,677
Internet and webhosting	1,62,81,829	2,24,47,350
Repairs and maintenance	7,73,39,426	9,11,49,733
Sales and Marketing	3,29,45,052	3,74,86,925
Rates and taxes	1,20,063	34,40,275
CSR Contributions	18,50,240	15,78,599
Subscription fees and licences renewal cost	1,14,21,329	3,98,93,515
Loss on Sale of Asset	98,314	23,586
Exchange fluctuations Loss	2,20,54,068	1,77,85,487
Provision for doubtful debts	5,41,780	50,52,890
Bad Debts	30,46,655	42,45,316
Other Miscellaneous expenses	6,23,52,872	5,50,06,659
Auditor Remuneration for subsidiary companies	68,14,452	40,13,911
Auditor Remuneration		
a) Statutory Audit fee	2,00,000	1,25,000
b) Taxation	50,000	50,000
c) Certification charges	50,000	25,000
Total	2,89,51,53,210	2,80,28,49,370

Note No 32. Earnings per Share

Particulars	31-Mar-2019	31-Mar-2018
Numerator for EPS		
Net Profit after tax (A)	75,07,09,639	63,58,66,741
Weighted Average no. of Shares considered for Denominator for Basic EPS (B)*	9,63,82,468	9,63,82,468



Weighted Average no. of Shares considered for Denominator for Diluted EPS (after effect of dilutive issues of stock options)(C)*	9,66,60,123	96,638,021
Basic and diluted Earnings Per Share (A)/(B)	7.79	6.60
Diluted Earnings Per Share (A)/(C)	7.77	6.58

Note No 33.

a) Gratuity

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an Independent actuary, at each balance sheet date using the projected unit credit method. The discount rate assumed is 7.63% (31-March-2018-7.77%). The retirement age has been considered at 58 years

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and amounts recognized in the Balance Sheet for the respective plans.

Particulars	For the period ending	
	31-Mar-19	31-Mar-18
Present Value of Obligation as at beginning	1,35,51,090	1,03,52,650
Current Service Cost	55,11,310	53,21,105
Interest Expense or Cost	10,52,920	7,68,167
- change in financial assumptions	(16,12,393)	(28,90,832)
Present Value of Obligation as at the end	1,85,02,927	1,35,51,090

Bifurcation of Net Liability

Particulars	As on	
	31-Mar-19	31-Mar-18
Current Liability (Short term)	5,37,336	2,93,579
Non-Current Liability (Long term)	1,79,65,591	1,32,57,511
Total Liability	1,85,02,927	1,35,51,090

b) Leave Encashment

Since leave encashment claims are settled on year to year basis, no actuarial valuation needs to be obtained.

Note No 34. Operating Leases

The company has entered into cancellable and non cancellable operating lease agreements for leasing office space. The lease agreement provides for cancellation by either party with a notice period, it also contains a clause for renewal of lease agreements either at the option of group or as mutually agreed by both the parties.

Operating leases as lessee

Particulars	31-Mar 2019	31-Mar 2018
Not Later than one year	8,52,84,872	7,76,69,015
Later than one year but not later than five years	15,39,33,544	13,71,14,375
Later than five years	Nil	Nil



Note No 35. Related Party Disclosures

I) RELATED PARTY WITH WHOM TRANSACTIONS HAVE TAKEN PLACE

- i) Mr. Niranjan Chintam - Director and CFO
- ii) Mr. Krishna Chintam - Managing Director
- iii)) Mr. Karanjit Singh - CEO and Executive Director

II) KEY MANAGERIAL PERSONNEL

- a) Mr Niranjan Chintam - Chairman and CFO
- b) Mr Krishna Chintam - Managing Director
- c) Mr Karanjit Singh - CEO and Executive Director
- d) Pawni Bhawe and Ahsan Ajani - Company Secretary

III) RELATIVE OF KEY MANAGERIAL PERSONNEL

Sreevidya Chintam- Wife of Chairman

IV) RELATED PARTY TRANSACTIONS DURING THE YEAR

Nature of Transactions	Particulars	31-March-2019	31-Mach-2018
Rent paid for office building	Relative of Key Managerial personnel	1,65,37,500	1,57,50,000

V) REMUNERATION OF KEY MANAGERIAL PERSONNEL:

For the year end

Particulars of Remuneration	31-March-2019	31-Mach-2018
Short Term employee benefits	1,18,15,960	1,18,43,986
Share-based payment transactions	-	21,87,322
Total compensation paid to key managerial personnel	1,18,15,960	1,40,31,308

* The above post employment benefits excludes gratuity and compensated absences which cannot be separately identified from the composite amount advised by the actuary.

VI) OUTSTANDING BALANCES

Particular	Name of Party	31-Mar-19	31-Mar-18
Security Deposit	Sreevidya Chintam	25,85,000	25,85,000

Note No 36. Employee stock option plan (ESOPS)

The company instituted Kellton Tech Solutions employee stock option, which was approved by shareholders at 19th AGM i.e 27-Dec-2013. The options granted under the ESOP scheme of the Company shall vest only if till the employee serves the Company. Company has made 10 grants under this scheme before the amendment of 27-Sep-2017 having grant price ranging from Rs 10 to Rs 161.50. New options have been granted to the extend on 1,00,000 no. of Equity Shares on 19-Feb-2019.



Details of the grant/issue are given below

Particulars	Year Ended	Year Ended
	31-Mar-19	31-Mar-18
	No of option	No of option
Options outstanding at the beginning of the year	4,91,362	18,11,359
Granted during the year	1,00,000	0
Vested during the year	4,45,363	646,495
Exercised during the year	0	10,46,661
Lapsed or Forfeited during the year	0	2,73,336
Options outstanding at the end of the year	5,91,362	4,91,362
Options vested and exercisable at the end of the year	4,40,359	60,668

Note No 37. Segment Reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company shall disclose segment information only on the basis of consolidated financial statements which are presented together with the standalone financial statements.

Revenue	2019	2018
Digital Transformation	5,77,34,51,453	5,29,69,28,572
Enterprise Solutions	1,40,53,07,602	1,37,78,95,959
Consulting	96,23,63,354	1,15,99,75,423
Total	8,14,11,22,410	7,83,47,99,954
Identifiable expense		
Digital Transformation	3,56,82,12,477	2,97,33,70,910
Enterprise Solutions	1,09,17,51,164	99,52,33,522
Consulting	72,39,35,171	82,34,24,545
Total	5,38,38,98,813	4,79,20,28,977
Segmental result		
Digital Transformation	2,20,52,38,976	2,32,35,57,662
Enterprise Solutions	31,35,56,438	38,26,62,437
Consulting	23,84,28,183	33,65,50,878
Total	2,75,72,23,597	3,04,27,70,977
Unallocable Expenses	1,64,48,22,121	1,91,27,24,060
Operating income	1,11,24,01,475	1,13,00,46,917
Finance Charges	18,88,83,116	16,28,44,282
Other Income	5,03,87,943	2,74,43,022
Profit before taxes	97,39,06,303	99,46,45,657
Taxes	20,42,99,754	31,06,97,960
Profit after taxes	76,96,06,549	68,39,47,697



Note No 38. Acquisitions and Disinvestment

On 30th March 2018, Kellton Tech has announced the acquisition of 100% stake in Tivix Europe, Poland based company which is effective 1-Apr-2019.

The Company has disinvested stake in its Supreme Soft GlobalInc (step down subsidiary) w.e.f 1 January 2019.

Note No 39. Company has not made any default in loan repayment and no overdue's are outstanding

Note No 40. Contingent liabilities

Contingent liabilities as at 31-March-2018 is Nil (previous year-8330000).

The company is in arbitration in commercial matters that arise from time to time in the ordinary course of business. The Company, based on independent legal opinion obtained in respect of issues related to this matter, believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements.

Note No 41. Impairment of goodwill as an assets has been considered by management and it is of view that there is no impairment in view of business continuity post acquisitions.

Note No 42. In the opinion of the management the sum of Rs 6,38,95,787 due from Enterprise Consulting Partner,Inc is overdue but good and recoverable, since the said entity is also having due of sum of Rs 5,20,32,000 (USD 800000) in Kellton Tech Inc, subsidiary company. The balance due of 85,59,787 is good and recoverable.

Note No 43. Kellton Tech Solutions Inc (USA) , Kellton Tech Inc (USA) and Kellton Dbydx Private Limites are 100% subsidiaries of Kellton Tech Solutions Ltd (India) have been audited by other auditors. Mar 31, 2019.

In addition, Kellton Tech Limited (Ireland) a 100% subsidiary of Kellton Tech Solutions Ltd (India) audit has not been completed. This entities statements/financial information reflect a total assets of Rs. 1,15,66,27,513 total revenue of Rs 1,57,76,36,529 and net income of Rs 43,77,70,560 for the 12 month period ending Mar 31, 2019.

Note No 44. GST is accounted based upon input credit commitments of parties however the relevant income is accounted as based when the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration

Note No 45. Corporate social responsibility

The Company has incurred an expenditure of 18.50 Lacs during the financial year 2018-19 (Previous year 15.79 lacs) on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013



Note No 46. Inventory consists of only bought out items pertaining computer peripherals required for execution of projects.

NOTE NO 47. Due to disinvestment during the year previous year figures are not comparable.

NOTE NO 48. Previous year's figures have been regrouped where necessary to conform to current year's classification.

KELLTON TECH SOLUTIONS LIMITED



FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To
M/s XL Softech System Limited
3, Sagar Society, Road No. 2,
Banjara Hills, Hyderabad – 500 034, Telangana
e-mail ID: mail@xlsoftech.com
Phone: 040-23545913

Company: **KELLTON TECH SOLUTIONS LIMITED**

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : _____
DP ID / Client ID / Regd. Folio No. : _____
PAN No. : _____
E-mail Address : _____

Date :
Place :

(Signature of Member)



UPDATION OF PAN & BANK DETAILS FOR MEMBERS HOLDING SHARS IN PHYSICAL FORMAT

Dear Shareholder,

Ref: Shares held in KELLTON TECH SOLUTIONS LIMITED

SUB: UPDATION OF PAN & BANK DETAILS FOR MEMBERS HOLDING SHARES IN PHYSICAL FORMAT – REG

We draw your attention to the circular issued by securities and exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20/04/2018. SEBI, in point no. 12 (ii) of the Annexure to its circular had directed all the listed companies to send a communication to all its shareholders through their Registrars and Transfer agents (RTA), who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first/ sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, Issuer Companies and Bankers to Issue.

To enable us to update the PAN and Bank account details, we, being RTA to the above referred company request you to kindly submit the following documents within 21 days of this letter:

- Copy of self-attested PAN card of the shareholders including joint holders, if any in the format attached
- Bank A/C details of the first/sole shareholder, as per the Bank Mandate format attached
- Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank

On receipt of the above documents, we will update the same in our records.

In case of dividend declarations by the company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under section 124 (6) of the Companies Act 2013, if dividends remain unpaid / unclaimed for a period of seven consecutive years then the underlying shares are also liable to be transferred to the A/c of IEPF authority. We request you to kindly arrange to send us the first/sole shareholders email Id for sending future communications as per the format attached. Hence we request you to kindly submit the documents sought immediately.



We refer to SEBI Notification no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 for amendment to SEBI(LODR) regulation that "NO PHYSICAL TRANSFER OF SHARES WITH EFFECT FROM December 5, 2018". All the transfers henceforth shall be through demat only. The duly filled up enclosed form with enclosures shall be sent to our Registrars & share transfer agents to the address as mentioned below:

XL Softech Systems Ltd.,

Unit: The Andhra Sugars Ltd.,
3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad – 500 034.

Thanking you,

Yours sincerely

For **Kellton Tech Solutions Limited**

Sd/-

Ahsan Ajani

Company Secretary



PAN MANDATE FORM

NAME OF THE COMPANY	KELLTON TECH SOLUTIONS LIMITED
FOLIO NO.	

First/Sole Shareholder Name	PAN1																		
First Jt. Holder Name	PAN2																		
Second Jt. Holder Name	PAN3																		

(SELF-ATESTED COPIES OF PAN CARD ENCLOSED HEREWITH)
NACH MANDATE FORM

Name of the Bank																			
Branch Name & Address																			
Bank A/c Type (SB A/c/ Current A/C)																			
Bank A/c No.																			
Bank MICR ECS code No																			
Bankers IFSC Code																			

(ORIGINAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

EMAIL REGISTRATION FORM

Email ID																			
Telephone No. / Mobile No.																			

I hereby

- State that the particulars of PAN and Bank account details are correct and complete/
- Authorize the company/RTA to credit my dividend on the shares held by me directly to my above bank account mentioned herein above.
- Convey my consent to receive all communications, Annual Report/ Notice of the Meetings and from the company through Email rather than hard copy.

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER:

KELLTON TECH SOLUTIONS LIMITED



KELLTON TECH SOLUTIONS LIMITED

Registered Office: Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 Telangana

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on the Friday, September 27th, 2019 at 11:00 a.m. at Ebony Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500034 to transact the following business and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1	To receive, consider and adopt (i) the audited standalone financial statements of the Company for the financial year ended 31st March, 2019, the Reports of the Board of Directors and the Auditors thereon. (ii) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Auditors thereon		
2.	To appoint a Director in place of Mr. Srinivas Potluri, who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	To re-appoint M/s. PARY & Co, Chartered Accountants as Statutory Auditors of the Company		
4.	To appoint Mr. Srinivasa Vijay Kumar Appana as Director of the Company		
5.	To appoint Mr. Srinivasa Vijay Kumar Appana as an Independent Director of the Company		
6.	To re-appoint Mr. Niranjan Chintam as Whole-Time Director of the Company		
7.	To re-appoint Mr. Krishna Chintam as Managing Director of the Company		
8.	To re-appoint Mr. Karanjit Singh as Whole-Time Director of the Company		
9.	To re-appoint Mr. Brijmohan Venkata Mandala as an Independent Director of the Company		
10	To authorize Board of Directors to pledge of shares of subsidiaries for availing loans		
11.	To authorise Board of Directors to give loan, provide Corporate Guarantee/ security and invest in the securities of other body corporate		

*** Applicable for investors holding shares in Electronic form.**

Signed this ____ day of ____ 20__

Signature of Shareholder

Signature of Proxy holder

Affix Re. 0.15
revenue Stamp

Signature of the
shareholder
across revenue
stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company



KELLTON TECH SOLUTIONS LIMITED

Registered Office: Plot No. 1367, Road No. 45, Jubilee Hills, Hyderabad – 500 033 Telangana

ATTENDANCE SLIP

25th Annual General Meeting on Friday, September 27th, 2019 at 11:00 a.m. at Ebony Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500034

Full name of the members attending _____ (In block capitals)

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of Proxy _____

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 25th Annual General Meeting of Kellton Tech Solutions Limited held at Ebony Hotel, Door no. 8-2-120/C/198/192, Road Number 2, Banjara Hills, Near Annapurna Studio, Hyderabad, Telangana-500034 on Friday, September 27th, 2019.

(Member's /Proxy's Signature)

Note:

1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

No Gifts, Gift Coupons, Cash in lieu of Gifts will be given at the AGM to any member.



ROUTE MAP TO VENUE OF ANNUAL GENERAL MEETING (AGM)



AGM VENUE :

EBONY HOTEL

DOOR NO. 8-2-120/C/198/192, ROAD NUMBER 2
BANJARA HILLS, NEAR ANNAPURNA STUDIO
HYDERABAD, TELANGANA -500034

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING ON FRIDAY SEPTEMBER 27TH 2019
AT 11 AM AT EBONY HOTEL, DOOR NO. 8-2-120/C/198/192, ROAD NUMBER 2, BANJARA HILLS, NEAR
ANNAPURNA STUDIO, HYDERABAD, TELANGANA-500034

INFINITE POSSIBILITIES WITH TECHNOLOGY



KELLTON TECH